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ANNUAL REPORT

OF

NIAGARA, LOCKPORT AND ONTARIO
POWER COMPANY

NIAGARA AND ERIE POWER COMPANY

FOR THE YEAR ENDED,
DECEMBER 31st, 1920

RETURN TO FILE

BERNHARD, SCHOLLE & CO.
STATISTICAL DEPT.

ANNUAL REPORT

OF

NIAGARA, LOCKPORT AND ONTARIO
POWER COMPANY

NIAGARA AND ERIE POWER COMPANY

FOR THE YEAR ENDED,
DECEMBER 31st, 1920

Niagara, Lockport and Ontario Power Company

DIRECTORS

J. J. ALBRIGHT,
LANGDON ALBRIGHT,
GEORGE T. BISHOP,

WALTER P. COOKE,
FRED D. COREY,
R. C. BOARD,

EDMUND HAYES,
H. C. MATHER,
CARLTON M. SMITH,

OFFICERS

GEORGE T. BISHOP, *Chairman of the Board.*

FRED D. COREY,	. . . . .	<i>President,</i>
LANGDON ALBRIGHT,	. . . . .	<i>Vice-President,</i>
STEEFAAN PIEK,	. . . . .	<i>General Manager,</i>
ROBERT C. BOARD,	. . . . .	<i>Treasurer and Secretary,</i>
WILHELMINE K. KOESTER,	. . . . .	<i>Assistant Secretary,</i>
C. A. WOLSLEY,	. . . . .	<i>Assistant Treasurer,</i>
H. C. MATHER,	. . . . .	<i>Auditor.</i>

GENERAL OFFICES AND STOCK TRANSFER DEPARTMENT,
. No. 1600 Marine Trust Building, Buffalo, N. Y.

REGISTRAR OF STOCK, Guaranty Trust Company of New York,
New York, N. Y.

Counsel

Strebel, Corey & Tubbs, Buffalo, N. Y.

Accountants

Haskins & Sells, C. P. A.'s, Public Auditors.

338,7
N5113
1920

BUFFALO, N. Y., May 18th, 1921.

TO THE STOCKHOLDERS:

The Board of Directors submit herewith a combined report of the operations and affairs of the Niagara, Lockport and Ontario Power Company and the Niagara and Erie Power Company for the year ended December 31, 1920, with a statement of the condition of their finances and properties at the close of that year. Soon after January 1, 1920, your Company became the owner of all the issued and outstanding capital stock of the Niagara and Erie Power Company. For this reason its operations and affairs are combined in this report with those of the Niagara, Lockport and Ontario Power Company. However, attention is called to the fact that the consolidated balance sheet states separately the assets and liabilities of these Companies.

The Niagara and Erie Power Company was organized under the Laws of New York in July, 1909. It is an important distributor of power, serving the rapidly expanding industrial section adjacent to the City of Buffalo, including the industrial centers of Lancaster, Depew, Lackawanna, Dunkirk, Angola and Fredonia. It obtains all the power which it supplies in the territory mentioned from the Niagara, Lockport and Ontario Power Company.

Gross sales and net earnings of the Niagara, Lockport and Ontario Power Company for the years 1912 to 1919, inclusive, and of both companies for the year 1920, compare as follows:

	Gross Sales	Net Earnings
1912.....	\$1,306,231.78	\$ 478,782.28
1913.....	1,518,621.76	520,468.67
1914.....	1,403,574.30	635,148.54
1915.....	1,413,473.62	736,080.55
1916.....	1,883,431.54	974,629.37
1917.....	2,311,717.69	1,023,509.96
1918.....	3,146,759.24	1,326,241.40
1919.....	2,361,246.69	992,717.49
1920—combined.....	2,899,547.60	1,189,360.96

**TERRITORY SERVED, DEMAND FOR POWER AND SOURCES
OF SUPPLY**

The Company serves a large and prosperous territory in Western and Central New York, having a present population of upwards of 1,500,000. Diversified demands for electric power in the territory served assures stability of the business of the Companies. During 1920 the distribution of power was approximately as follows:

- 20% to electrically operated railways in the cities and suburban sections of Western and Central New York, including Rochester, Auburn, Syracuse and Oswego.
- 66% to public utility companies distributing electricity in Oswego, Syracuse, Rochester, Auburn, Geneva Batavia, Lockport, Dunkirk, and numerous smaller communities. Industrial supplies are, of course, made by these various public utilities in the communities served by them.
- 14% direct to large industrial concerns such as Lackawanna Steel Company, American Locomotive Company, Repair Shops of New York Central Railroad Company, and others.

29 Dec 54 dirg 1920-1925, 1930-1931 SC&BI

The power sold by the Companies comes from four different generating sources, all operating in parallel and located at widely separated points within or adjacent to the territory served, namely:

(a) At the extreme western end of the transmission system power is purchased from the Ontario Power Company, which Company has the largest single generating plant at Niagara Falls, and a constant and unvarying supply twenty-four hours of the day.

(b) At the extreme eastern end of the transmission system an hydro-electric generating plant on the Salmon River (about 42 miles northeast of Syracuse) with a present installed capacity of 35,000 H. P.

(c) On the Oswego River at Minetto an hydro-electric generating plant with an installed capacity of 12,000 H. P. This plant is owned by the Northern New York Power Corporation and is leased and operated by the Niagara, Lockport and Ontario Power Company under an agreement extending until 1940.

(d) At Lyons, 35 miles east of Rochester, a modern steam plant with a capacity of 40,000 H. P. This steam plant is available for operation at all seasons of the year, and as a source of auxiliary and stand-by supply, this plant is of very large value. It can be operated continuously, or at the base of the load, during the low water season on the Salmon and Oswego Rivers; or for the purpose of taking care of the high demands which always occur during the winter season, due to the short days and many heavy storms. Having this auxiliary supply at these periods of the year makes possible the sale of a much higher percentage of the hydro-electric capacity during the entire year than would otherwise obtain.

At the back of this report will be found a small cut showing the location of the various sources of power supply and the transmission system of the Companies. This cut also draws attention to the extent and importance of the territory served; and the advantageous location of the four sources of supply.

The following statement shows the growth of the Company's business since 1908:-

	Kilowatt Hours delivered	Horsepower sold
1908.....	96,575,110	25,500
1909.....	159,008,298	38,131
1910.....	177,722,627	44,834
1911.....	193,864,268	48,493
1912.....	230,899,434	57,144
1913.....	270,320,004	64,528
1914.....	244,651,276	59,815
1915.....	250,778,898	62,466
1916.....	390,244,159	87,734
1917.....	470,423,190	106,689
1918.....	499,037,996	117,053
1919.....	393,971,978	104,679
1920.....	443,856,351	113,078

The fluctuation in gross sales during the past four years was principally due to the unusual activities brought about by the World War. 1917 and 1918 were years of most abnormal ex-

pansion. For a brief period following the Armistice there was contraction, followed however by a renewed expansion. In the late fall of 1920 indications of the serious business depression, which we are now passing through, became apparent. The business of your Companies has, therefore, been put to the test of abnormal expansion and contraction, all within a brief space of time. Your Directors are able to say that readjustments in anticipation of a return to normal business conditions is making satisfactory progress. As further reflecting the situation at this time, there is appended to this report a Consolidated Condensed Balance Sheet for the first quarter of 1921, as well as a Consolidated Statement of Income and Profit and Loss for the same period.

EXTENSIONS, ENLARGEMENTS AND INVESTMENTS

During the year 1920, the Company found it necessary to double the size of the conductor on one of its trunk transmission lines leading from its Steam Plant in the Village of Lyons to the City of Syracuse,—a distance of approximately 40 miles. This was done in the spring of 1920 at an expense of about \$109,151.64. Other extensions or enlargements of the Company's plant and property during the year were of minor importance.

On the 1st of May, 1920, your Company, then owner of one-half of the issued and outstanding capital stock of the Niagara and Erie Power Company, completed the purchase of the other half thereof, so that it now owns the entire issued and outstanding capital stock of said Company. The expenditure made by the Company in connection with this investment was approximately \$119,500.

During the year 1920, the Niagara and Erie Power Company acquired from the Buffalo and Lake Erie Traction Company a high tension transmission line extending from Athol Springs, near Buffalo, to the Hamlet of West Portland in the County of Chautauqua, a distance of approximately 67 miles. It also acquired for the same distance a private right-of-way principally in fee, and it has erected and nearly completed on about 36 miles thereof a steel tower, high tension transmission line. In connection with these acquisitions and this construction work the Company expended approximately \$546,020.04. Other extensions and enlargements by the Company were of minor importance. The high tension, steel tower transmission line referred to will doubtless be completed during the present year and will, when completed, connect the high tension transmission lines of the Niagara, Lockport and Ontario Power Company at a point just south of Buffalo with the City of Dunkirk.

CONDITION OF PROPERTIES

It has at all times been the policy of the Companies to maintain their physical properties in a condition which assures high efficiency at a reasonable operating cost. Repairs and replacements have been promptly and adequately made wherever required, and your Directors are pleased to report that the physical properties of the Companies are in excellent condition. To further provide for depreciation, retirements and replacements, substantial reserves have been accumulated, these reserves aggregating at the close of the year \$546,151.30.

The combined surplus of the Companies at the beginning of the year was \$759,713.40, and at the close of the year \$472,983.90.

FINANCIAL STATEMENTS

A consolidated general balance sheet of the Companies, condensed general balance sheet, detailed statement of properties and plants, and statements of income account and surplus account for the year 1920, as approved by Haskins and Sells, Certified Public Accountants, are herewith submitted.

By Order of the Board of Directors,

FRED D. COREY,
President.

NEW YORK
CHICAGO
PHILADELPHIA
DETROIT
CLEVELAND
BOSTON
SAINT LOUIS
BALTIMORE
PITTSBURGH
SAN FRANCISCO
LOS ANGELES
BUFFALO
CINCINNATI

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
CABLE ADDRESS "HASKSELLS"
THE MARINE TRUST COMPANY BUILDING
BUFFALO

NEW ORLEANS
SEATTLE
KANSAS CITY
DENVER
ATLANTA
DALLAS
TULSA
WATERTOWN
LONDON
PARIS
HAVANA
SHANGHAI

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
NIAGARA AND ERIE POWER COMPANY

CERTIFICATE

We have audited the books and accounts of the Niagara, Lockport and Ontario Power Company and of the Niagara and Erie Power Company from the dates of their incorporation to and including December 31, 1920, and

WE HEREBY CERTIFY that, in our opinion, the accompanying General Balance Sheets as of December 31, 1920, and Statements of Income and Profit and Loss for the year ended that date are correct, and that the books of the companies are in agreement therewith.

HASKINS & SELLS.

BUFFALO, APRIL 14, 1921.

EXHIBIT "A"

**NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY,
NIAGARA AND ERIE POWER COMPANY
GENERAL BALANCE SHEET, DECEMBER 31, 1920, AND CONSOLIDATION.**

—ASSETS—	CONSOLIDATION Total	Eliminations	Niagara, Lockport & Ontario Power Company	Niagara and Erie Power Company
PROPERTY AND PLANT	\$18,543,959.60		\$17,039,071.68	\$1,504,887.92
INVESTMENTS:				
Niagara and Erie Power Company capital stock		\$179,500.00	\$ 179,500.00	
Pulaski Commercial Club 4% Bonds	\$ 200.00		\$ 200.00	
Total Investments	\$ 200.00	\$179,500.00	\$ 179,700.00	
WORKING ASSETS:				
Materials and Supplies—Book Value	\$ 236,668.88		\$ 213,075.43	\$ 23,593.45
Insurance Premiums—Unexpired Portion	10,814.68		9,693.76	1,120.92
Telephone Rent—Unexpired Portion	64.02		64.02	
Advances to Right-of-Way Agents and Field Employees ...	8,080.76		5,693.32	2,387.44
Prepaid Rent of Right-of-Way	402.34		236.50	165.84
Prepaid Interest on Notes Payable	4,903.54		4,457.62	445.92
Prepaid Taxes on Real Estate	33,500.98		33,500.98	
Prepaid Taxes on Capital Stock	932.33		829.08	103.25
Total Working Assets	\$ 295,367.53		\$ 267,550.71	\$ 27,816.82
SPECIAL DEPOSITS WITH TRUSTEES:				
Guaranty Trust Company, New York:				
Sinking Fund Cash	\$ 9,719.04		\$ 587.87	\$ 9,131.17
Cash Available for Construction	350.31		350.31	
Columbia Trust Company, New York—Sinking Fund Cash..	255.73		255.73	
Equitable Trust Company, New York—Sinking Fund Cash	48.37		48.37	
Total Special Deposits with Trustees	\$ 10,373.45		\$ 1,242.28	\$ 9,131.17
CURRENT ASSETS:				
Cash:				
General	\$ 128,536.91		\$ 116,762.77	\$ 11,774.14
On Deposit for Payment of Matured Bond and Note interest	41,138.00		10,713.00	30,425.00
On Deposit for Payment of Matured Two-Year, 6%, Gold Notes	1,000.00		1,000.00	
Notes Receivable	110,468.96		110,468.96	
Accounts Receivable:				
Consumers	278,422.37	\$122,686.96	319,885.79	81,223.54
General	57,421.57	77,841.72	121,840.86	13,422.43
United States Liberty Loan Bonds, Less Collections on Sub- scriptions by employes	419.70		419.70	
Buffalo and Depew Railway Company Receiver's Certificates	3,000.00			3,000.00
Accrued Interest:				
On Sinking Fund Securities	20,853.33		20,853.33	
On Notes and Accounts Receivable	220.84		7.84	213.00
Total Current Assets	\$ 641,481.68	\$200,528.68	\$ 701,952.25	\$ 140,058.11
DEFERRED DEBIT ITEMS:				
Unamortized Debit Discount and Expense	\$ 1,185,703.04		\$ 982,792.44	\$ 202,910.60
Unamortized Depreciation of Lyons Power Plant	2,700.00		2,700.00	
Studies for Future Development	33,322.89		31,760.89	1,562.00
Miscellaneous	11,347.65		7,347.65	4,000.00
Total Deferred Debit Items	\$ 1,233,073.58		\$ 1,024,600.98	\$ 208,472.60
TOTAL	\$20,724,455.84	\$380,028.63	\$19,214,117.90	\$1,890,366.62

EXHIBIT "A" Continued

**NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY,
NIAGARA AND ERIE POWER COMPANY**

GENERAL BALANCE SHEET, DECEMBER 31, 1920, AND CONSOLIDATION.

—LIABILITIES—	CONSOLIDATION Total	Eliminations	Niagara, Lockport & Ontario Power Company	Niagara and Erie Power Company
FIRST PREFERRED, 6%, CUMULATIVE CAPITAL STOCK —27,503 SHARES OF \$100.00 EACH	\$ 2,750,300.00		\$ 2,750,300.00	
SECOND PREFERRED, 6%, NON-CUMULATIVE CAPITAL STOCK—20,000 SHARES OF \$100.00 EACH	\$ 2,000,000.00		\$ 2,000,000.00	
COMMON CAPITAL STOCK—12,300 SHARES OF \$100.00 EACH	\$ 1,230,000.00		\$ 1,230,000.00	
CAPITAL STOCK—1,795 SHARES OF \$100.00 EACH		\$179,500.00		\$ 179,500.00
FUNDED DEBT:				
First Mortgage, 5%, Fifty-year Gold Bonds, Due 1954	\$ 5,000,000.00		\$ 5,000,000.00	
Less Held in Sinking Fund—Guaranty Trust Company, Suc- cessor Trustee,	1,314,000.00		1,314,000.00	
Remainder—Outstanding	\$ 3,686,000.00		\$ 3,686,000.00	
Salmon River Power Company First Mortgage, 5%, Forty- year Gold Bonds, Due 1952	\$ 5,000,000.00		\$ 5,000,000.00	
Less Held in Sinking Fund—Columbia Trust Co., Trustee..	316,000.00		316,000.00	
Remainder—Outstanding	\$ 4,684,000.00		\$ 4,684,000.00	
Refunding Mortgage, 6%, Sinking Fund Gold Bonds, Due 1958	\$ 3,060,000.00		\$ 3,060,000.00	
Less Held in Sinking Fund—Equitable Trust Co., Trustee..	132,800.00		132,800.00	
Remainder—Outstanding	\$ 2,927,200.00		\$ 2,927,200.00	
First Mortgage, 5%, Thirty-year Gold Bonds, Due 1941	\$ 1,191,000.00			\$1,191,000.00
Total Funded Debt	\$12,488,200.00		\$11,297,200.00	\$1,191,000.00
CONTRACT OF PURCHASE—AUBURN STEAM PLANT (payable at the rate of \$11,300.00 per annum)	\$ 132,775.00		\$ 132,775.00	
CURRENT LIABILITIES:				
Notes Payable	\$ 517,500.00		\$ 467,500.00	\$ 50,000.00
Accounts Payable	249,629.77	\$200,528.68	214,242.79	235,915.66
Matured Interest on Funded Debt	41,138.00		10,713.00	30,425.00
Matured Two-Year, 6%, Gold Notes	1,000.00		1,000.00	
Consumers' Meter Deposits	935.00			935.00
Accrued Accounts:				
Interest on Funded Debt	222,333.32		222,333.32	
Interest on Deferred Payments for Auburn Steam Plant	562.30		562.30	
Interest on Notes Payable	443.75		443.75	
Rents	660.56		660.56	
Taxes	53,256.15		45,792.66	7,463.49
Insurance	1,144.69		1,144.69	
Total Current Liabilities	\$ 1,088,603.54	\$200,528.68	\$ 964,393.07	\$ 324,739.15
DEFERRED CREDIT ITEMS:				
Unearned Land Rentals	\$ 2,951.36		\$ 2,923.32	\$ 28.04
Unexpended Portion of Insurance Received—Salmon River Fire Loss	12,490.74		12,490.74	
Total Deferred Credit Items	\$ 15,442.10		\$ 15,414.06	\$ 28.04
RESERVES:				
Depreciation	\$ 463,116.50		\$ 391,877.82	\$ 76,238.68
Fire Replacement:				
Solvay Sub-station	641.45		641.45	
Lyons Steam Plant	28,365.11		28,365.11	
Barge Canal Claim Costs	1,736.74		1,736.74	
Injuries and Damages	4,848.00		4,848.00	
Property Damages	1,782.77			1,782.77
Legal Expenses	8,786.65		6,231.15	2,555.50
Doubtful and Uncollectible Accounts	18,508.93		18,508.93	
Replacement of Poles and Cross Arms	4,800.00			4,800.00
Contingences	8,565.15			8,565.15
Total Reserves	\$ 546,151.30		\$ 452,209.20	\$ 93,942.10
SURPLUS, PER EXHIBIT "C"	\$ 472,983.90		\$ 371,826.57	\$ 101,157.33
TOTAL	\$20,724,455.84	\$380,028.68	\$19,214,117.90	\$1,890,366.62

NOTES:—The above statement does not include a contingent liability of the Niagara, Lockport & Ontario Power Company, amounting to \$18,126.65 at December 31, 1920, on account of notes receivable discounted.
Dividends on the first preferred, 6%, cumulative capital stock, amounting to \$220,011.60, were in arrears at December 31, 1920.

EXHIBIT "A"—SCHEDULE 1.

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY

NIAGARA AND ERIE POWER COMPANY

PROPERTY AND PLANT, DECEMBER 31, 1920.

	TOTAL	NIAGARA, LOCK- PORT & ONTARIO POWER COMPANY	NIAGARA AND ERIE POWER COMPANY
FIXED CAPITAL ACQUIRED PRIOR TO DECEMBER 31, 1908	\$ 9,272,738.51	\$ 9,272,738.51	
FIXED CAPITAL ACQUIRED SUBSEQUENT TO DECEMBER 31, 1908:			
Dams, Canals and Pipe Lines	1,363,185.19	1,363,185.19	
Lands Devoted to Electric Operations	1,257,275.32	1,043,424.60	213,850.72
Transmission Lines	1,143,815.19	754,654.40	389,160.79
Poles and Fixtures	756,364.79	408,913.59	347,451.20
Furnaces, Boilers and Accessories	683,032.66	683,032.66	
Power Plant Buildings	630,115.83	630,115.83	
Sub-Station Equipment	572,029.10	373,247.74	198,781.36
Steam Engines	417,596.09	417,596.09	
Power House Apparatus—Undistributed	407,893.40	407,893.40	
Suspense to be Amortized	307,500.10	307,500.10	
Engineering and Superintendence	304,156.82	281,130.64	23,026.18
Accessory Electric Power Equipment	287,737.47	287,737.47	
Interest During Construction	184,450.82	172,151.33	12,299.49
Electric Generators	176,456.79	176,456.79	
Miscellaneous Construction Expenditures	165,201.98	160,399.11	4,802.87
Distribution Lines	122,035.70	14,039.87	107,995.83
Sub-Station Buildings	73,292.40	12,575.14	60,717.26
Miscellaneous Power Plant Equipment	71,146.08	71,146.08	
Electric Meters	63,165.85	36,203.20	26,962.65
Line Transformers and Devices	60,641.48	26,399.72	34,241.76
General Structures	57,558.66	50,569.64	6,989.02
Law Expenditures During Construction	41,310.48	34,680.88	6,629.60
Municipal Street Lighting System	29,804.28	9,722.56	20,081.72
Organization	27,985.71	3,661.70	24,324.01
Electric Services	20,934.34	5,401.47	15,532.87
General Office Equipment	14,340.47	12,604.80	1,735.67
Construction Plant Equipment and Tools	13,542.10	13,542.10	
Other Tangible Electric Capital	12,331.41	11,908.17	423.24
Automobiles	8,570.02	8,570.02	
General Stable and Patrolling Equipment	7,989.29	684.63	7,304.66
Electric Laboratory Equipment	7,473.55	7,347.24	126.31
Patent Rights	5,939.99	5,939.99	
Electric Meter Installation	5,404.95	4,588.34	816.61
Taxes During Construction	3,024.22	3,024.22	
Electric Tools and Implements	2,718.10	1,450.31	1,267.79
Other Intangible Electric Capital	2,281.00	2,281.00	
General Shop Equipment	1,206.10	866.66	339.44
Franchises	668.00	650.00	18.00
Engineering Instruments and Tools	554.50	554.50	
General Stores Equipment	170.88	162.01	8.87
Hospital Equipment	138.85	138.85	
Gas Engines	100.00	100.00	
Unallocated Credit Items—(New York State Award for Damages)	39,918.87*	39,918.87*	
TOTAL	\$18,543,959.60	\$17,039,071.68	\$1,504,887.92

*Deduction

EXHIBIT "B"

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY

NIAGARA AND ERIE POWER COMPANY

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1920—CONDENSED.

ASSETS

PROPERTY AND PLANT	\$18,543,959.60
INVESTMENT—PULASKI COMMERCIAL CLUB 4% BONDS.....	200.00
MATERIALS AND SUPPLIES AND OTHER WORKING ASSETS	295,367.53
SINKING FUND CASH,	10,023.14
CASH WITH TRUSTEES—AVAILABLE FOR CONSTRUCTION	350.31
CASH ON DEPOSIT AND IN HAND	170,674.91
ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS.....	470,806.77
DEFERRED DEBIT ITEMS:	
Unamortized Debt Discount and Expense,	\$ 1,185,703.04
Unamortized Depreciation of Lyons Power Plant,	2,700.00
Miscellaneous,	44,670.54
TOTAL—DEFERRED DEBIT ITEMS	1,233,073.58
TOTAL	<u>\$20,724,455.84</u>

LIABILITIES

CAPITAL STOCK—NIAGARA, LOCKPORT & ONTARIO POWER COMPANY:

First Preferred, 6%, Cumulative	\$ 2,750,300.00
Second Preferred, 6%, Non-cumulative	2,000,000.00
Common,	1,230,000.00
TOTAL CAPITAL STOCK—Niagara, Lockport & Ontario Power Company,	<u>\$ 5,980,300.00</u>

FUNDED DEBT OUTSTANDING:

Niagara, Lockport & Ontario Power Company First Mortgage, 5%, Fifty-Year Gold Bonds, Due 1954,	\$ 3,686,000.00
Salmon River Power Company First Mortgage, 5%, Forty-Year Gold Bonds, due 1952	4,684,000.00
Niagara, Lockport & Ontario Power Company Refunding Mortgage, 6%, Sinking Fund Gold Bonds, due 1958,	2,927,200.00
Niagara and Erie Power Company First Mortgage, 5%, Thirty-Year Gold Bonds, due 1941,	1,191,000.00
TOTAL—Funded Debt Outstanding,	<u>12,488,200.00</u>

CONTRACT OF PURCHASE—AUBURN STEAM PLANT (To be liquidated by annual payments of \$11,300.00)	132,775.00
NOTES PAYABLE,	517,500.00
ACCRUED LIABILITIES,	278,400.77
AUDITED VOUCHERS AND MISCELLANEOUS	292,702.77
DEFERRED CREDIT ITEMS—UNEARNED RENTALS, ETC.,.....	15,442.10
RESERVES FOR DEPRECIATION, REPLACEMENTS, ETC.,.....	546,151.30
SURPLUS,	472,983.90
TOTAL,	<u>20,724,455.84</u>

NOTES:—The above statement does not include a contingent liability of the Niagara, Lockport & Ontario Power Company, amounting to \$18,126.65 at December 31, 1920, on account of notes receivable discounted.
Dividends on the First Preferred, 6%, Cumulative Capital Stock, amounting to \$220,011.60, were in arrears at December 31, 1920.

EXHIBIT "C"

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY NIAGARA AND ERIE POWER COMPANY

CONSOLIDATED STATEMENT OF INCOME AND PROFIT & LOSS FOR THE YEAR ENDED DECEMBER 31, 1920.

SALES OF ELECTRIC POWER,	\$ 2,899,547.60
COST OF POWER SOLD:	
Purchased,	\$ 697,978.45
Produced,	660,180.26
TOTAL,	\$ 1,358,158.71
GROSS PROFIT FROM SALES OF ELECTRIC POWER,	\$ 1,541,388.89
OPERATING EXPENSES,	352,027.93
NET PROFIT FROM SALES OF ELECTRIC POWER,	\$ 1,189,360.96
OTHER INCOME CREDITS,	139,379.23
GROSS INCOME,	\$ 1,328,740.19
INCOME CHARGES:	
Taxes, Rents, Debt Discount and Expense, and Other Deductions,	379,708.98
NET INCOME—Before deducting interest, depreciation reserve and contractual charges,	\$ 949,031.21
INTEREST CHARGES:	
On Funded Debt, excluding interest on Bonds in Sinking Fund,	\$ 607,351.45
On Deferred Payments for purchase of Auburn Steam Plant,	6,944.02
TOTAL,	\$ 614,295.47
NET INCOME—Before deducting depreciation reserve and contractual charges,	\$ 334,735.74
RESERVE FOR DEPRECIATION,	96,354.47
NET INCOME—Before deducting contractual charges,	\$ 238,381.27
CONTRACTUAL CHARGES,	68,223.58
NET INCOME FOR THE YEAR,	\$ 170,157.69
PROFITS AND LOSS CREDITS,	5,583.80
GROSS SURPLUS FOR THE YEAR,	\$ 175,741.49
PROFIT AND LOSS CHARGES,	15,964.99
SURPLUS FOR THE YEAR,	\$ 159,776.50
SURPLUS AT BEGINNING OF THE YEAR,	759,713.40
GROSS SURPLUS,	\$ 919,489.90
DIVIDEND—First Preferred, 6% Cumulative Capital Stock,	446,506.00
SURPLUS AT END OF YEAR,	\$ 472,983.90

EXHIBIT "D"

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY

NIAGARA AND ERIE POWER COMPANY

CONSOLIDATED BALANCE SHEET, MARCH 31, 1921—Condensed.

ASSETS

PROPERTY AND PLANT,	\$18,641,569.42
INVESTMENT—PULASKI COMMERCIAL CLUB 4% BONDS,.....	\$ 200.00
MATERIALS AND SUPPLIES AND OTHER WORKING ASSETS,	\$ 313,270.59
SPECIAL DEPOSITS WITH TRUSTEES,	\$ 8,883.61
CASH ON DEPOSIT AND ON HAND,	\$ 135,716.83
NOTES RECEIVABLE,	\$ 90,944.24
ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS,.....	\$ 366,591.85
DEFERRED DEBIT ITEMS:	
Unamortized Debt Discount and Expense,	\$ 1,180,460.54
Unamortized Depreciation of Lyons Power Plant,	600.00
Studies for Future Development and Miscellaneous,	52,760.81
TOTAL—Deferred Debit Items,	\$ 1,233,821.35
TOTAL,	<u>\$20,790,997.89</u>

LIABILITIES

CAPITAL STOCK:	
First Preferred, 6%, Cumulative	\$ 2,750,300.00
Second Preferred, 6%, Non-Cumulative,	2,000,000.00
Common,	1,230,000.00
TOTAL CAPITAL STOCK, NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY,	<u>\$ 5,980,300.00</u>
FUNDED DEBT OUTSTANDING:	
Niagara, Lockport and Ontario Power Company, First Mortgage, 5%, Fifty-Year Gold Bonds, due 1954,	\$ 3,686,000.00
Salmon River Power Company, First Mortgage, 5%, Forty-Year Gold Bonds, due 1952,	4,684,000.00
Niagara, Lockport and Ontario Power Company, Refunding Mortgage Sinking Fund, 6%, Gold Bonds, due 1958,	2,953,700.00
Niagara and Erie Power Company, First Mortgage, 5%, Thirty-Year Gold Bonds, due 1941,.....	1,152,000.00
TOTAL FUNDED DEBT OUTSTANDING,	<u>\$ 12,475,700.00</u>
CONTRACT OF PURCHASE—AUBURN STEAM PLANT (To be liquidated by annual payments of \$11,300.00)	\$ 129,950.00
NOTES PAYABLE,	\$ 590,000.00
ACCRUED LIABILITIES,	\$ 244,200.56
ACCOUNTS PAYABLE,	\$ 213,269.07
DEFERRED CREDIT ITEMS, UNEARNED RENTALS, ETC.,.....	\$ 14,943.31
RESERVES FOR DEPRECIATION, REPLACEMENT, ETC.,	\$ 581,851.04
PROFIT AND LOSS—SURPLUS—PER EXHIBIT "E",	<u>\$ 560,783.91</u>
TOTAL,	<u>\$20,790,997.89</u>

EXHIBIT "E"

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
NIAGARA AND ERIE POWER COMPANY

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND PROFIT AND LOSS FOR THE THREE MONTHS
ENDED MARCH 31, 1921—AND COMPARISON.

	THREE MONTHS ENDED MARCH 31, 1921	THREE MONTHS ENDED MARCH 31, 1920
SALES OF ELECTRIC POWER	\$ 650,325.70	\$ 739,719.82
COST OF POWER SOLD:		
Purchased,	159,949.92	181,785.95
Produced,	36,857.42	197,431.24
TOTAL,	196,807.34	379,217.19
GROSS PROFIT FROM SALES OF ELECTRIC POWER,	453,518.36	360,502.63
OPERATING EXPENSES,	87,128.20	79,999.24
NET PROFIT FROM SALES OF ELECTRIC POWER,	366,390.16	280,503.39
OTHER INCOME CREDITS—INTEREST, RENTALS, ETC.,	25,141.00	31,169.12
GROSS INCOME,	391,531.16	311,672.51
INCOME CHARGES—TAXES, RENTS, DEBT DISCOUNT, ETC.,	93,600.00	85,518.46
NET INCOME BEFORE DEDUCTION INTEREST, DEPRECIATION RESERVE AND CONTRACTUAL CHARGES,	297,913.46	226,154.05
INTEREST ON FUNDED DEBT AND DEFERRED PAYMENTS FOR AUBURN STEAM PLANT,	159,341.63	151,170.05
NET INCOME BEFORE DEDUCTION DEPRECIATION RESERVE AND CONTRACTUAL CHARGES,	138,571.83	74,984.00
DEPRECIATION RESERVE,	36,023.97	26,052.02
NET INCOME BEFORE DEDUCTING CONTRACTUAL CHARGES,	102,547.86	48,931.98
CONTRACTUAL CHARGES,	15,466.04	16,890.33
NET INCOME FOR THE PERIOD,	87,081.82	32,041.65
PROFIT AND LOSS CREDITS, SUNDRY ADJUSTMENTS APPLICABLE TO PRIOR PERIOD,	3,369.05	506.13
GROSS SURPLUS FOR THE PERIOD,	90,450.87	32,547.78
PROFIT AND LOSS CHARGES, EXTRAORDINARY DEPRECIATION AND MISCEL- LANEOUS,	2,750.86	922.64
SURPLUS FOR THE PERIOD,	87,700.01	31,625.14
SURPLUS AT BEGINNING OF THE YEAR,	473,083.90	759,713.40
GROSS SURPLUS AT END OF PERIOD,	\$ 560,783.91	791,338.54

NIAGARA AND ERIE POWER COMPANY



SOURCES OF POWER SUPPLY AND CONNECTED HIGH VOLTAGE TRANSMISSION LINES

338.7
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ANNUAL REPORT

OF

NIAGARA, LOCKPORT AND ONTARIO
POWER COMPANY

NIAGARA AND ERIE POWER COMPANY

FOR THE YEAR ENDED,
DECEMBER 31st, 1921

RETURN TO FILE
BERNHARD, SCHOLLE & CO.
STATISTICAL DEPT.

ANNUAL REPORT

OF

NIAGARA, LOCKPORT AND ONTARIO
POWER COMPANY

NIAGARA AND ERIE POWER COMPANY

FOR THE YEAR ENDED,
DECEMBER 31st, 1921

Niagara, Lockport and Ontario Power Company

DIRECTORS

AS AT APRIL 5, 1922.

J. J. ALBRIGHT,	WALTER P. COOKE,	D. J. KENEFICK,
J. F. SCHOELLKOPF, JR.	FRED D. COREY,	R. J. H. HUTTON,
GEORGE T. BISHOP,	LANGDON ALBRIGHT	CARLTON M. SMITH

OFFICERS

GEORGE T. BISHOP, *Chairman of the Board.*

FRED D. COREY,	<i>President.</i>
LANGDON ALBRIGHT,	<i>Vice-President,</i>
STEFAN PIEK,	<i>General Manager,</i>
ROBERT C. BOARD,	<i>Treasurer and Secretary</i>
WILHELMINE K. KOESTER,	<i>Asst. Treas. & Asst. Secy.</i>
H. C. MATHER,	<i>Auditor.</i>

GENERAL OFFICES AND STOCK TRANSFER DEPARTMENT,
After April 15, 1922—No. 713 Lafayette Building, Buffalo, N. Y.

REGISTRAR OF STOCK	Guaranty Trust Company of New York, New York, N. Y.
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Counsel

Strebel, Corey & Tubbs, Buffalo, N. Y.

Accountants

Haskins & Sells, Certified Public Accountants.

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BUFFALO, N. Y., April 5th, 1922.

TO THE STOCKHOLDERS:

The Board of Directors submit herewith a combined report of the operations and affairs of the Niagara, Lockport and Ontario Power Company and the Niagara and Erie Power Company for the year ended December 31, 1921, with a statement of the condition of their finances and properties at the close of that year. Your Company owns all the issued and outstanding capital stock of the Niagara and Erie Power Company, and the affairs of the Companies are therefore combined in this report.

Gross sales and net earnings of the Niagara, Lockport and Ontario Power Company for the years 1915 to 1919, inclusive, and of both companies for the years 1920 and 1921, compare as follows:

	Gross Sales	Net Earnings
1915.....	\$1,413,473.62	\$ 736,080.55
1916.....	1,883,431.54	974,629.37
1917.....	2,311,717.69	1,023,509.96
1918.....	3,146,759.24	1,326,241.40
1919.....	2,361,246.69	992,717.49
1920—combined.....	2,899,547.60	1,189,360.96
1921—combined.....	2,763,918.49	1,325,800.03

TERRITORY SERVED, DEMAND FOR POWER AND SOURCES OF SUPPLY

The Company serves a large and prosperous territory in Western and Central New York, having a present population of upwards of 1,500,000. Diversified demands for electric power in the territory served assures stability of the business of the Companies. During 1921 the distribution of power was approximately as follows:

- 23% to electrically operated railways in the cities and suburban sections of Western and Central New York, including Rochester, Auburn, Syracuse and Oswego.
- 60% to public utility companies distributing electricity in Oswego, Syracuse, Rochester, Auburn, Geneva, Batavia, Lockport, Dunkirk, and numerous smaller communities. Industrial supplies are, of course, made by these various public utilities in the communities served by them.
- 17% direct to large industrial concerns such as Lackawanna Steel Company, American Locomotive Company, Repair Shops of New York Central Railroad Company, and others.

The power sold by the Companies comes from five different generating sources, inter-connected through the Companies' transmission system, and located at widely separated points within or adjacent to the territory served, namely:

(a) At the extreme western end of the transmission system power is purchased from the Niagara Falls Power Company on the American side of the Niagara River, and from The Ontario Power Company on the Canadian side of the Niagara River. The contract with the Niagara Falls Power Company provides at present for a maximum delivery of 50,000 kilowatts, and with The Ontario Power Company for a maximum delivery of 45,000 kilowatts, continuous power.

(b) At the extreme eastern end of the transmission system an hydro-electric generating plant on the Salmon River (about 42 miles northeast of Syracuse) with a present installed capacity of 26,000 kilowatts.

(c) On the Oswego River at Minetto an hydro-electric generating plant with an installed capacity of 9,000 kilowatts. This plant is owned by the Northern New York Power Corporation and is leased and operated by the Niagara, Lockport and Ontario Power Company under an agreement extending until 1940.

(d) At Lyons, 35 miles east of Rochester, a modern steam plant with a capacity of 30,000 kilowatts. This steam plant is available for operation at all seasons of the year, and as a source of emergency, auxiliary and stand-by supply is of great value. This is particularly true with respect to the late fall and winter season when the high demands upon the Companies' system always occur, due to the short days and many heavy storms.

At the back of this report will be found a small cut showing the location of the various sources of power supply and the transmission system of the Companies. This cut also draws attention to the extent and importance of the territory served, and the advantageous location of the sources of supply. Attention is here called to the proposed extension of the Companies' high tension lines from the City of Dunkirk to the City of Jamestown.

The following statement shows the growth of the business since 1914:

	Kilowatt Hours delivered	Horsepower sold
1914.....	244,651,276	59,815
1915.....	250,778,898	62,466
1916.....	390,244,159	87,734
1917.....	470,423,190	106,689
1918.....	499,037,996	117,053
1919.....	393,971,978	104,679
1920.....	443,576,297	113,078
1921.....	366,571,529	110,436

The decrease in gross sales and also in gross earnings for the year 1921 was due to the general business depression that everywhere prevailed. The increase in net earnings was mainly due to wage reductions and decreases in the amount and cost of steam power produced, as well as decreases in costs of materials and supplies. Beginning with June, 1921, the Company was able to arrange with the Niagara Falls Power Company for additional supply of hydro-electric power on favorable terms. On account of this additional supply and the decrease in gross sales, operating costs of the steam plant were very much reduced.

A contract with the Niagara Falls Power Company running for a period of fifty years has now been closed. This contract provides for a maximum supply to this Company of 50,000 kilowatts. With the return of normal business conditions this should assure greatly improved earnings.

EXTENSIONS, ENLARGEMENTS AND INVESTMENTS.

Extensions and enlargements were made during the year 1921 increasing chiefly the transmission capacity of the Companies, and extending the same with a view to serving a wider territory. The major items of such expenditure consisted of doubling the transmission capacity of the Niagara, Lockport and Ontario Power Company's number 2 trunk line leading from Syracuse to the Village of Weedsport, in the County of Cayuga, and from Lyons, in the County of Wayne, to the Village of Pittsford in the County of Monroe,—a total distance of approximately 55 miles; and in completing the two-circuit, steel tower, high tension transmission line of the Niagara and Erie Power Company, leading from Athol Springs (near Buffalo) to the City of Dunkirk. These extensions and enlargements were made for an aggregate expenditure of about \$130,000. Other extensions and enlargements made during the year were of minor importance.

During the year 1921 a contract was closed for the acquisition of all of the capital stock of the electric distributing companies in the City of Jamestown and vicinity. Attention has been called to the proposed extension of the Companies' high tension system from the City of Dunkirk to the City of Jamestown. This work is now in progress, and when completed, your Companies will supply Niagara power to an added population of more than 50,000.

CONDITION OF PROPERTIES.

It has at all times been the policy of the Companies to maintain their physical properties in a condition which assures high efficiency at a reasonable operating cost. Repairs and replacements have been promptly and adequately made wherever required and your Directors are pleased to report that the physical properties of the Companies are in excellent condition. To provide for depreciation, retirements and replacements, substantial reserves have been accumulated, these reserves aggregating at the close of the year \$620,224.93.

The combined surplus of the Companies at the beginning of the year was \$472,983.90, and at the close of the year \$734,285.48.

FINANCIAL STATEMENTS

Consolidated general balance sheet of the Companies, detailed statement of properties and plants, and statements of income account and surplus account for the year 1921, as approved by Haskins & Sells, Certified Public Accountants, are herewith submitted.

By Order of the Board of Directors,

FRED D. COREY,
President.

NEW YORK
CHICAGO
PHILADELPHIA
DETROIT
CLEVELAND
SAINT LOUIS
BOSTON
BALTIMORE
PITTSBURGH
LOS ANGELES
SAN FRANCISCO
BUFFALO
CINCINNATI

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
CABLE ADDRESS "HASKSELLS"
THE MARINE TRUST COMPANY BUILDING
BUFFALO

NEW ORLEANS
MINNEAPOLIS
KANSAS CITY
SEATTLE
PORTLAND, ORE.
DENVER
ATLANTA
DALLAS
SALT LAKE CITY
TULSA
WATERTOWN
LONDON
PARIS
HAVANA
SHANGHAI

**NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
NIAGARA AND ERIE POWER COMPANY**

CERTIFICATE

We have audited the books and accounts of the Niagara, Lockport and Ontario Power Company and of the Niagara and Erie Power Company from the dates of their incorporation to and including December 31, 1921, and

WE HEREBY CERTIFY that, in our opinion, the accompanying General Balance Sheets as of December 31, 1921, and Statements of Income and Profit and Loss for the year ended that date are correct, and that the books of the companies are in agreement therewith.

HASKINS & SELLS.

BUFFALO, April 3, 1922.

EXHIBIT A.

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
 NIAGARA AND ERIE POWER COMPANY
 CONDENSED GENERAL BALANCE SHEETS, DECEMBER 31, 1921
 AND CONSOLIDATION

—ASSETS—			Niagara Lockport & Ontario Power Co.	Niagara and Erie Power Co.
	Total	Eliminations		
PROPERTY AND PLANT	\$18,757,380.70		\$17,155,005.53	\$1,602,375.17
INVESTMENTS	200.00	\$679,500.00	679,700.00	
MATERIALS AND SUPPLIES AND OTHER WORKING ASSETS	319,910.90		265,087.90	54,823.00
SINKING FUND CASH	5,882.60		842.60	5,040.00
CASH WITH TRUSTEES AVAILABLE FOR CONSTRUC- TION	350.31		350.31	
CASH ON DEPOSIT AND IN HAND	426,732.88		365,689.27	61,043.61
ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS	579,682.38	142,570.58	442,069.33	280,183.63
DEFERRED CHARGES:				
Unamortized Debt Discount and Expense	1,291,344.99		1,104,139.93	187,205.06
Studies for Future Development	53,223.76		48,849.76	4,374.00
Miscellaneous	66.42		66.42	
TOTAL	\$21,434,774.94	\$822,070.58	\$20,061,801.05	\$2,195,044.47

EXHIBIT A, Continued.

**NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
NIAGARA AND ERIE POWER COMPANY
CONDENSED GENERAL BALANCE SHEETS, DECEMBER 31, 1921
AND CONSOLIDATION**

—LIABILITIES—	Total	Eliminations	Niagara Lockport & Ontario Power Co.	Niagara and Erie Power Co.
CAPITAL STOCK:				
First Preferred 6% Cumulative	\$ 2,750,300.00		\$ 2,750,300.00	
Second Preferred 6% Non-Cumulative	2,000,000.00		2,000,000.00	
Common	1,230,000.00	\$679,500.00	1,230,000.00	679,500.00
Total Capital Stock	\$ 5,980,300.00	\$679,500.00	\$ 5,980,300.00	\$ 679,500.00
FUNDED DEBT:				
Niagara, Lockport and Ontario Power Company First Mortgage, 5%, Fifty year Gold Bonds, due 1954	\$ 5,000,000.00		\$ 5,000,000.00	
Less Held in Sinking Fund—Guaranty Trust Company, Successor Trustee	1,512,000.00		1,512,000.00	
Remainder—Outstanding	\$ 3,488,000.00		\$ 3,488,000.00	
Salmon River Power Company First Mortgage, 5%, Forty-year Gold Bonds, due 1952	\$ 5,000,000.00		\$ 5,000,000.00	
Less Held in Sinking Fund—Columbia Trust Company, Trustee	397,000.00		397,000.00	
Remainder—Outstanding	\$ 4,603,000.00		\$ 4,603,000.00	
Niagara, Lockport and Ontario Power Company Refunding Mortgage, 6%, Sinking Fund Gold Bonds, due 1958	\$ 4,014,000.00		\$ 4,014,000.00	
Less Held in Sinking Fund—Equitable Trust Company, Trustee	291,600.00		291,600.00	
Remainder—Outstanding	\$ 3,722,400.00		\$ 3,722,400.00	
Niagara and Erie Power Company First Mortgage, 5%, Thirty-year Gold Bonds, due 1941	\$ 1,250,000.00			\$1,250,000.00
Less Held in Sinking Fund—Guaranty Trust Company, Trustee	98,000.00			98,000.00
Remainder—Outstanding	\$ 1,152,000.00			\$1,152,000.00
Total Funded Debt	\$12,965,400.00		\$11,813,400.00	\$1,152,000.00
CONTRACT OF PURCHASE—AUBURN STEAM PLANT (payable at the rate of \$11,300.00 per annum)	\$ 121,475.00		\$ 121,475.00	
NOTES PAYABLE	\$ 416,609.39	\$130,134.77	\$ 471,744.16	\$ 75,000.00
ACCRUED LIABILITIES	\$ 339,975.49		302,655.12	\$ 37,320.37
ACCOUNTS PAYABLE	\$ 252,386.14	\$ 12,435.81	\$ 234,480.92	\$ 30,341.03
DEFERRED CREDIT ITEMS	\$ 4,118.51		\$ 4,105.74	\$ 12.77
RESERVES FOR DEPRECIATION, REPLACEMENT, ETC. .	\$ 620,224.93		\$ 514,731.70	\$ 105,493.23
SURPLUS	\$ 734,285.48		\$ 618,908.41	\$ 115,377.07
TOTAL	\$21,434,774.94	\$822,070.58	\$20,061,801.05	\$2,195,044.47

EXHIBIT A—SCHEDULE 1.

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
NIAGARA AND ERIE POWER COMPANY
PROPERTY AND PLANT—DECEMBER 31, 1921

	Total	Niagara Lockport & Ontario Power Co.	Niagara and Erie Power Co.
FIXED CAPITAL ACQUIRED PRIOR TO DECEMBER 31, 1908	\$ 9,201,131.36	\$ 9,201,131.36	
FIXED CAPITAL ACQUIRED SUBSEQUENT TO DECEMBER 31, 1908:			
Dams, Canals and Pipe Lines	1,365,491.25	1,365,491.25	
Lands Devoted to Electric Operations	1,273,230.21	1,048,374.53	\$ 224,855.68
Transmission Lines	1,272,101.23	892,227.93	379,873.30
Poles and Fixtures	771,751.80	420,172.84	351,578.96
Furnaces, Boilers and Accessories	684,282.60	684,282.60	
Power Plant Buildings	630,112.39	630,112.39	
Sub-station Equipment	622,757.34	383,339.05	239,418.29
Steam Engines	420,144.79	420,144.79	
Power House Apparatus—Undistributed	407,893.40	407,893.40	
Engineering and Superintendence	310,518.03	283,810.83	26,707.20
Accessory Electric Power Equipment	288,111.49	288,111.49	
Suspense to be Amortized	287,000.10	287,000.10	
Interest During Construction	190,757.29	173,381.87	17,375.42
Electric Generators	177,704.81	177,704.81	
Miscellaneous Construction Expenditures	168,849.27	162,643.63	6,205.64
Distribution Lines	144,893.60	18,709.86	126,183.74
Electric Meters	83,155.14	49,580.11	33,575.03
Line Transformers and Devices	74,773.78	27,386.79	47,386.99
Miscellaneous Power Plant Equipment	71,235.95	71,235.95	
Sub-Station Buildings	71,095.80	15,685.37	55,410.43
General Structures	58,651.19	50,972.97	7,678.22
Law Expenditures During Construction	37,950.48	35,560.88	2,389.60
Organization	31,757.03	4,962.28	26,794.75
Municipal Street Lighting System	31,303.53	10,112.77	21,190.76
Electric Services	27,662.02	6,589.47	21,072.55
Automobiles	17,624.39	9,233.47	8,390.92
General Office Equipment	16,080.86	14,104.01	1,976.85
Construction Plant Equipment and Tools	12,649.09	12,649.09	
Other Tangible Electrical Capital	12,544.04	12,544.04	
Electric Laboratory Equipment	8,593.30	7,588.85	1,004.45
Electric Meter Installation	6,712.52	5,697.86	1,014.66
Patent Rights	5,939.99	5,939.99	
Electric Tools and Implements	3,408.62	1,507.20	1,901.42
Taxes During Construction	3,024.22	3,024.22	
Other Intangible Electric Capital	2,281.00	2,281.00	
General Shop Equipment	1,751.29	1,411.85	339.44
General Stable and Patrolling Equipment	684.63	684.63	
Franchises	668.00	650.00	18.00
Engineering Instruments and Tools	554.50	554.50	
General Stores Equipment	228.39	195.52	32.87
Hospital Equipment	138.85	138.85	
Gas Engines	100.00	100.00	
Unallocated Credit Items	39,918.87*	39,918.87*	
TOTAL	\$18,757,380.70	\$17,155,005.53	\$1,602,375.17

*Deduction.

EXHIBIT B.

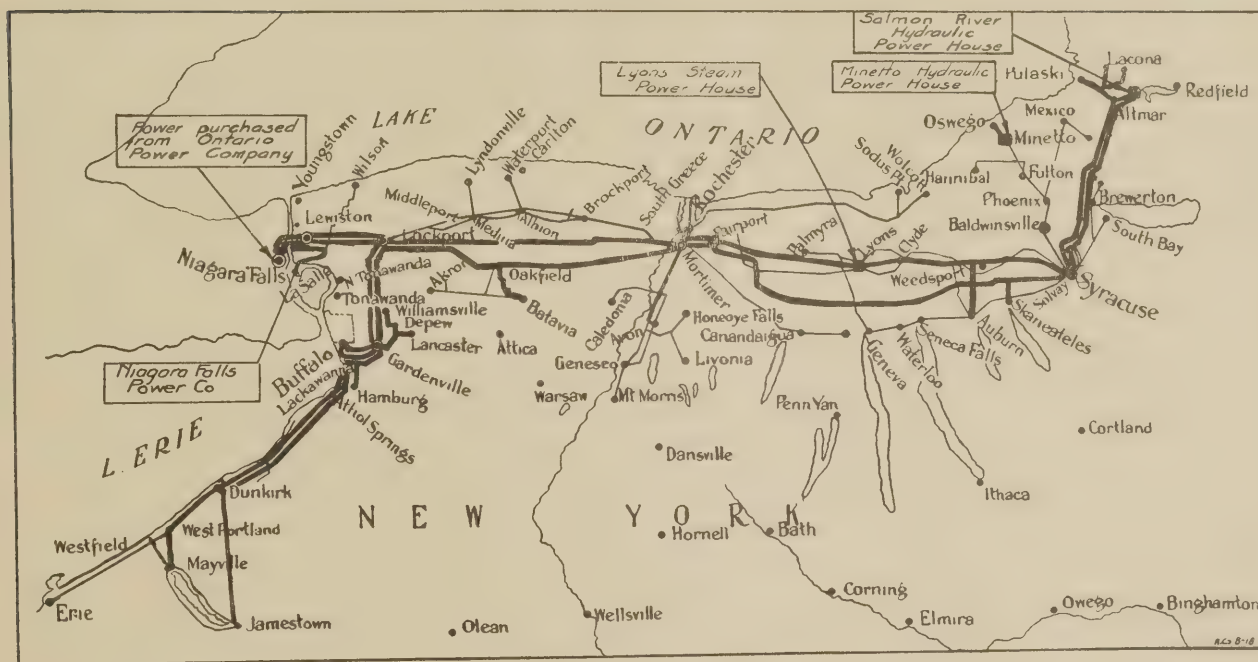
NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
 NIAGARA AND ERIE POWER COMPANY
 SUMMARY OF CONSOLIDATED INCOME AND PROFIT AND LOSS FOR THE YEAR ENDED
 DECEMBER 31, 1921

SALES OF ELECTRIC POWER	\$2,763,918.49
COST OF POWER SOLD:	
Purchased	\$737,671.20
Produced	277,232.39
Total	<u>1,014,903.59</u>
GROSS PROFIT FROM SALES OF ELECTRIC POWER	\$1,749,014.90
OPERATING EXPENSES	<u>423,214.87</u>
NET PROFIT FROM SALES OF ELECTRIC POWER	\$1,325,800.03
OTHER INCOME CREDITS—INTEREST, RENTALS, PROFIT ON BONDS PURCHASED FOR SINKING FUNDS, ETC.	<u>69,811.19</u>
GROSS INCOME	\$1,395,611.22
INCOME CHARGES—TAXES, RENT, DEBT DISCOUNT AND EXPENSE, AND OTHER DEDUCTIONS ..	<u>393,534.80</u>
NET INCOME BEFORE DEDUCTING INTEREST, AND CONTRACTUAL CHARGES.....	\$1,002,076.42
INTEREST ON FUNDED DEBT AND DEFERRED PAYMENTS FOR AUBURN STEAM PLANT	<u>656,231.47</u>
NET INCOME BEFORE DEDUCTING CONTRACTUAL CHARGES	\$ 345,844.95
CONTRACTUAL CHARGES	<u>59,216.80</u>
NET INCOME FOR THE YEAR	\$ 286,628.15
SURPLUS, JANUARY 1, 1921	<u>472,983.90</u>
GROSS SURPLUS	\$ 759,612.05
PROFIT AND LOSS CHARGES— EXTRAORDINARY DEPRECIATION, SUNDRY ADJUSTMENTS APPLI- CABLE TO PRIOR PERIOD (net)	<u>25,326.57</u>
SURPLUS, DECEMBER 31, 1921	<u>\$ 734,285.48</u>

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY

AND

NIAGARA AND ERIE POWER COMPANY



SOURCES OF POWER SUPPLY AND CONNECTED HIGH VOLTAGE TRANSMISSION LINES

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ANNUAL REPORT
OF
NIAGARA, LOCKPORT AND ONTARIO
POWER COMPANY
AND
SUBSIDIARY COMPANIES

FOR THE YEAR ENDED
DECEMBER 31, 1922

ANNUAL REPORT
OF
NIAGARA, LOCKPORT AND ONTARIO
POWER COMPANY
AND
SUBSIDIARY COMPANIES

FOR THE YEAR ENDED
DECEMBER 31, 1922

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY

DIRECTORS

J. J. ALBRIGHT	WALTER P. COOKE	D. J. KENEFICK
J. F. SCHOELLKOPF, JR.	FRED D. COREY	R. J. H. HUTTON
GEORGE T. BISHOP	LANGDON ALBRIGHT	CARLTON M. SMITH
L. S. DEGRAFF	CHARLES A. EATON	

OFFICERS

GEORGE T. BISHOP, *Chairman of the Board*

FRED D. COREY	<i>President</i>
LANGDON ALBRIGHT	<i>Vice-President</i>
STEFAN PIEK	<i>General Manager</i>
ROBERT C. BOARD	<i>Treasurer</i>
WILHELMINE K. KOESTER	<i>Secretary and Asst. Treasurer</i>
N. W. CHAPMAN	<i>Asst. Secretary</i>
H. C. MATHER	<i>Auditor</i>

STOCK TRANSFER AGENT, Bankers Trust Company, New York, N. Y.

REGISTRAR OF STOCK, The Equitable Trust Company of New York, New York, N. Y.

GENERAL OFFICES

Lafayette Building, Buffalo, N. Y.

COUNSEL

STREBEL, COREY & TUBBS Buffalo, N. Y.

ACCOUNTANTS

HASKINS & SELLS Certified Public Accountants

BUFFALO, N. Y., February 21, 1923.

TO THE STOCKHOLDERS:

Your Board of Directors submits herewith a combined report of the operations and affairs of the Niagara, Lockport and Ontario Power Company and Subsidiary Companies for the year ended December 31, 1922. During the year your Company acquired and now owns all of the issued and outstanding capital stock of the Western New York Electric Company, Bradford Electric Company and Livingston-Niagara Power Company. Brief description of the properties of these Companies, their operations, and territory served, appears later in this report.

The following statement, starting with the first full year of your Company's operations, shows the growth of the Company's business, and the rapidly increasing demand for electric power,—*largely hydro-electric power generated at Niagara.*

	Gross Revenue From Sales	Net Revenue From Sales	Kilowatt Hours Delivered
1908	\$ 592,103.10	\$ 42,876.39	96,575,110
1910	1,051,521.50	351,521.10	177,722,627
1915	1,413,473.62	736,080.55	250,778,898
1920	2,899,547.60	1,189,360.96	443,576,297
1922	4,158,993.73	2,047,170.19	484,877,202

The figures for 1922 reflect the sales and earnings of the three subsidiary companies from the date on which their respective operations were taken over by this Company.

DESCRIPTION OF PROPERTY, POWER SOURCES AND TERRITORY SERVED

In the State of New York your Company is the pioneer in high tension, long distance transmission. It began the construction of its high tension system in 1905. It began operations July 1, 1907. The Company now has over 300 miles of private right-of-way, 4000 acres of which are owned in fee. It has over 600 miles of high tension transmission lines, and over 830 miles of high tension transmission circuits. These transmission lines, together with the distribution lines of the Company and the transmission and distribution lines of its three subsidiaries, traverse sixteen counties and reach a population of over 1,700,000. Your Company and subsidiaries hold franchises in 142 cities, villages and towns, and supply electric power to or in 115 cities, villages, towns and lighting districts.

The main power sources of your Company, all of which are inter-connected, are as follows:

(a) At the extreme western end of the transmission system, power is purchased from the Niagara Falls Power Company on the New York State side of the Niagara River, and from The Ontario Power Company on the Canadian side of the Niagara River. The contract with the Niagara Falls Power Company provides at present for a maximum delivery of 50,000 kilowatts, and with The Ontario Power Company for a maximum delivery of 45,000 kilowatts, continuous power.

(b) At the extreme eastern end of the transmission system an hydro-electric generating plant on the Salmon River (about 42 miles northeast of Syracuse) with a present installed capacity of 26,000 kilowatts. This plant is owned by your Company.

(c) On the Oswego River at Minetto an hydro-electric generating plant with an installed capacity of 9,000 kilowatts. This plant is owned by the Northern New York Power Corporation and is leased and operated by the Niagara, Lockport and Ontario Power Company under an agreement extending until 1940.

(d) At Lyons, 35 miles east of Rochester, a modern steam plant with a capacity of 30,000 kilowatts. This plant is owned by your Company and is available for operation at all seasons of the year. As a source of emergency, auxiliary and stand-by supply it is of great value. This is particularly true with respect to the late fall and winter season when the high demands upon the Company's system always occur, due to the short days and many heavy storms. In 1922 the steam plant was operated continuously from September 1st to the end of the year.

Distribution of electric power by your Company during the year 1922 was approximately as follows:

- 18% to electrically operated railways in the cities and suburban sections of Western and Central New York, including Rochester, Auburn, Syracuse and Oswego.
- 65% to public utility companies distributing electricity in Oswego, Syracuse, Rochester, Auburn, Geneva, Batavia, Lockport, Dunkirk, Jamestown, Olean, Salamanca, and numerous smaller communities. This includes industrials supplied by these utilities, and the retail business of the Company's subsidiaries.
- 17% direct to large industrial concerns such as Bethlehem Steel Company, American Locomotive Company, Repair Shops of New York Central Railroad Company, Gould Coupler Company, Seneca Iron and Steel Company, Atlas Crucible Steel Company, and others.

At the back of this report will be found a map showing the location of these various sources of power, and the high tension transmission system of the Company interconnecting these power sources. Some photographs are also appended. These exhibits will help those who are not familiar with the property to better visualize its bigness, the extent of the territory served, its possibilities for future growth and service and the important relation which the operation and service of this property bears to the domestic, industrial and transportation life of a very large portion of Western New York.

GROWTH AND EXPANSION

During the year your Company acquired all of the issued and outstanding capital stock of the three companies mentioned in the opening paragraph of this report.

The purchase of the stock of the Western New York Electric Company was completed and its operations taken over by this Company on April 1, 1922. The Western New York Electric Company operates in the City of Jamestown, the Village of Falconer and territory adjacent thereto. It holds ten municipal franchises, and reaches a population of over 50,000. Since the operation of the Western New York Electric Company was taken over by this Company, we have acquired a right-of-way fifty feet in width from Dunkirk to Jamestown and constructed thereon a two circuit, high tension, steel tower transmission line; and at the Jamestown end a sub-station equipped for handling 20,000 horsepower. Delivery and distribution of Niagara power over this new line and through this new sub-station will begin about March 1, 1923.

The purchase of the stock of the Livingston-Niagara Power Company was completed and its operations taken over by this Company on July 1, 1922. The Livingston Company holds fifteen municipal franchises and operates in the Villages of Avon, Lima, Honeoye Falls and intervening and adjoining rural territory. There are several large power consumers in the territory. A contract has just been concluded with the Perry Electric Light Company, which Company operates in the Villages of Perry and Warsaw, Wyoming County, and is extending its service to a number of other municipalities in that vicinity. A new steel tower high tension transmission line is now under construction from Avon to Retsof where the Livingston Company will supply approximately 1200 horsepower to the International Salt Company, and

where also delivery will be made to the Perry Electric Light Company. This line is twelve miles in length and is nearing completion.

The purchase of the stock of the Bradford Electric Company was completed and its operations taken over on the 1st of August, 1922. The Bradford Electric Company owns all of the issued and outstanding stock and nearly all of the issued and outstanding bonds of the Olean Electric Light and Power Company. It and the Olean Company occupy territory having more than 50,000 population and hold franchises in eleven municipalities. The construction of a steel tower, two circuit, high tension transmission line from Gardenville, just east of Buffalo, southerly to the City of Olean is now under way. Fully half of the right-of-way for this line has been secured. When this transmission line is completed Niagara power will be supplied in the Olean, Bradford and Salamanca territory.

By reference to the map at the back of this report a clear understanding may be had regarding the territory occupied by the three subsidiary companies, the location thereof, and the plans either completed or under way for supplying to these localities Niagara power.

Much work was done during the year for the purpose of providing additional transmission capacity. The carrying capacity of the Company's high tension circuits, at present voltages, under load conditions now obtaining is approximately 175,000 horsepower. The maximum load carried at any time during the year 1922 was 160,000 horsepower. For a long time, therefore, your Company has recognized the necessity of providing increased transmission capacity. Originally its high tension circuits were constructed and insulated for carrying 60,000 volt current. Prior to 1922 your Company had reconstructed and reinsulated 209 miles of its high tension circuits for carrying 110,000 volt current. During the year 1922 it reinsulated, reconstructed and installed on existing high tension lines, 221 miles more. It built 45 miles of new steel tower construction upon which it installed 90 miles of 110,000 volt circuits. So that the major portion of the Company's high tension lines are now equipped for carrying current at 110,000 volts. It is expected that the necessary transforming facilities will soon be installed so that the major portion of the Company's high tension transmission system can be changed over to the higher voltage. When this is done the carrying capacity of our transmission system will be more than doubled. The present outlook indicates that considerable of this increased capacity will be needed before the end of the present year.

For all of these acquisitions, extensions and improvements, and a number of minor ones not mentioned, your Company made capital expenditures during the year of over \$3,000,000; and it extended and expanded its business and field of operations in a very substantial manner.

NEW FINANCING

Capital expenditures of over \$1,000,000 made by the Company during the four or five years previous to January 1, 1922, either from earnings or moneys borrowed at the banks, and the capital expenditures made during the year as pointed out in the preceding paragraphs, called for a large amount of new financing. At the beginning of the year and for some time prior thereto, your Board of Directors had under consideration plans for this financing. The ever increasing demand for hydro-electric power, particularly Niagara power, made it apparent that any plan of financing should look well into the future. The capital stock of your Company was very closely held, there being but sixty-eight stockholders at the beginning of the year 1922. Your Directors believed that the policy of the Company in this regard should be changed; that there should be the widest possible distribution of the Company's stock, particularly among those residing within its field of operations.

In order that such a policy might be inaugurated, it was found necessary to change the character of the then authorized stock issues of the Company and reclassify. Accordingly your Board authorized the calling of a stockholders' meeting for the purpose of voting upon a proposition to change all of the old authorized issues into a no par common stock. The stockholders' meeting was held on the 9th day of February, 1922, and the proposed change unanimously authorized. This change was thereafter approved by the New York State Public Service Commission, and there was then issued by the Company in exchange for and on surrender of the stock certificates representing the old issues, 189,815 no par value shares.

The next step recommended by your Directors, and authorized by unanimous vote of the stockholders, was an increase and reclassification of the Company's stock into 100,000 shares of the par value of \$100 each of 7% cumulative preferred; and 300,000 shares of no par value common. Amended certificate completing this increase and reclassification was filed with the Secretary of State June 2, 1922. This placed your Company in a position to accomplish two things,—(a) provide for a substantial amount of the Company's necessary financing through a sale of its stock; (b) inaugurate and carry out a policy of selling its stock to the general public, emphasizing in every way possible the desirability of sales to the employees of the Company and to those residing in the territory which we serve.

A few sentences will serve to indicate how well this new plan has been received. Between July 1st and October 15th, 1922, your Company, pursuant to authority given by its stockholders and the New York State Public Service Commission, sold \$2,000,000 par amount of four-year, 6% debentures, due July 1, 1926, convertible into the Company's no par value common stock after July 1, 1924; and 20,000 shares of the Company's authorized 7% cumulative preferred stock, for both of which we received the sum of \$4,000,000. As previously stated, there were but 68 stockholders of your Company at the beginning of the year 1922. On December 31, 1922, there were 709 stockholders; on February 15, 1923, there were 895 stockholders.

Your Directors believe a good start has been made, and that the Company should go on increasing the number of its stockholders. The policy is a sound one. The Company should be owned by individuals residing as far as possible in the communities which we serve. In a word, the communities as individuals should own the property. Every employee of the Company, every customer on its books, should be a stockholder. The approximation of such a result would stabilize your investment, and would advance the best interests of the communities served. Public ownership by communities, where the investment is individual, is sound and strong because it insures the highest class of service and the most economical management. Nor is it large stockholders that make most for the strength, stability and usefulness of your Company. On the contrary, it is a large number of small stockholders which assures wide interest and an accurate general knowledge of the Company's operations and affairs. Instead of 900 stockholders, there should be several thousand stockholders interested in the large and splendid property of your Company, residing as far as possible in the territory we serve.

CONDITION OF PROPERTY

It has at all times been the policy of the Company to maintain its physical property in a condition which assures high efficiency at a reasonable operating cost. Repairs and replacements have been promptly and adequately made during the year wherever required and your Directors are pleased to report that the Company's physical property is in excellent condition. To provide for depreciation, retirements and replacements, substantial reserves have been set aside annually out of earnings. At the beginning of the year these reserves aggregated

\$620,224.93. At the close of the year (including subsidiaries) these reserves aggregated \$1,038,667.52.

SURPLUS

A statement of the surplus account of the Company and its subsidiaries is as follows:

Surplus at December 31, 1921			\$ 734,285.48
Net Income for the year		\$602,236.13	
Less—			
Dividends declared, (not paid)	\$270,755.00		
Miscellaneous Adjustments	<u>28,970.43</u>	<u>299,725.43</u>	
Balance carried to Surplus			<u>302,510.70</u>
Total Surplus at December 31, 1922			<u><u>\$1,036,796.18</u></u>

FINANCIAL STATEMENTS

Consolidated general balance sheet of the Company and its subsidiaries, and statement of income account for the year 1922, as determined by Haskins & Sells, Certified Public Accountants, are herewith submitted. At the close of the year neither the Company nor any subsidiary had any bank loans or bills payable, while the cash position of the Company steadily improved throughout the year.

By Order of the Board of Directors,
FRED D. COREY,
President

NEW YORK
CHICAGO
PHILADELPHIA
DETROIT
CLEVELAND
SAINT LOUIS
BOSTON
BALTIMORE
PITTSBURGH
SAN FRANCISCO
LOS ANGELES
BUFFALO
CINCINNATI
NEW ORLEANS

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
CABLE ADDRESS "HASKSELLS"
THE MARINE TRUST COMPANY BUILDING
BUFFALO

KANSAS CITY
SEATTLE
PORTLAND
DENVER
ATLANTA
DALLAS
SALT LAKE CITY
TULSA
WATERTOWN
LONDON
PARIS
HAVANA
SHANGHAI

**NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
AND SUBSIDIARY COMPANIES**

CERTIFICATE

We have audited the books and accounts of the Niagara, Lockport and Ontario Power Company from the date of its incorporation and of its subsidiary companies from the dates of acquisition to and including December 31, 1922, and

WE HEREBY CERTIFY that, in our opinion, the accompanying General Balance Sheets as of December 31, 1922, and statements of Income and Profit and Loss for the year ended that date are correct, and that the books of the companies are in agreement therewith.

HASKINS & SELLS.

BUFFALO, February 21, 1923.

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
AND SUBSIDIARY COMPANIES

*Condensed Consolidated General Balance Sheet as at
December 31, 1922*

ASSETS

PROPERTY AND PLANT		\$23,560,744.48
INVESTMENTS		26,075.00
MATERIALS AND SUPPLIES AND OTHER WORKING ASSETS		462,298.96
DEPOSITS WITH TRUSTEES FOR SINKING FUND REQUIREMENTS AND FOR CONSTRUCTION		27,687.24
CASH ON DEPOSIT AND IN HAND		1,306,173.62
NOTES AND ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS . .		655,568.36
DEFERRED CHARGES:		
Unamortized Debt Discount and Expense	\$1,471,512.81	
Studies for Future Development	82,328.54	
Suspense to be Amortized	99,364.51	
Miscellaneous	<u>5,200.62</u>	
TOTAL DEFERRED CHARGES		<u>1,658,406.48</u>
TOTAL		<u><u>\$27,696,954.14</u></u>

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY AND SUBSIDIARY COMPANIES

*Condensed Consolidated General Balance Sheet as at
December 31, 1922*

LIABILITIES

PREFERRED, 7%, CUMULATIVE CAPITAL STOCK		
Authorized, 100,000 shares of \$100.00 each; issued, 19,151 shares		\$1,915,100.00
COMMON CAPITAL STOCK		
Authorized, 300,000 shares of no par value; issued, 189,815 shares		5,980,300.00
FUNDED DEBT:		
Niagara, Lockport and Ontario Power Company First Mortgage, 5%, Fifty-Year Gold Bonds, due 1954	\$3,269,000.00	
Niagara, Lockport and Ontario Power Company Refunding Mortgage, 6%, Sinking Fund Gold Bonds, due 1958	3,577,400.00	
Niagara, Lockport and Ontario Power Company Debenture, 6%, Con- vertible Gold Bonds, due 1926	1,998,900.00	
Salmon River Power Company First Mortgage, 5%, Forty-Year Gold Bonds, due 1952	4,530,000.00	
Niagara and Erie Power Company First Mortgage, 5%, Thirty-Year Gold Bonds, due 1941	1,125,000.00	
Bradford Electric Company First Mortgage and Collateral Trust, 6%, Gold Bonds, Series A, due 1929	1,471,300.00	
Olean Electric Light and Power Company First Mortgage, 5%, Forty- Year Gold Bonds, due 1951	55,000.00	
Olean Electric Light and Power Company First and Refunding Mort- gage, 5%, Series "A" Bonds, due 1943	22,700.00	
Livingston-Niagara Power Company First Mortgage, 6%, Bonds	153,000.00	
TOTAL FUNDED DEBT		16,202,300.00
CONTRACT OF PURCHASE—AUBURN STEAM PLANT (Payable at the rate of \$11,300.00 per annum)		110,175.00
ACCRUED LIABILITIES		468,936.54
DIVIDENDS PAYABLE		270,755.00
AUDITED VOUCHERS AND MISCELLANEOUS		561,127.22
DEFERRED CREDITS		3,719.51
RESERVES FOR DEPRECIATION, REPLACEMENT, ETC.		1,038,667.52
SURPLUS:		
Profit and Loss Surplus	1,036,796.18	
Excess of net assets of subsidiary companies over cost of stock to holding company at dates of acquisition	109,077.17	
TOTAL SURPLUS		1,145,873.35
TOTAL		<u>\$27,696,954.14</u>

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY AND SUBSIDIARY COMPANIES

Consolidated Statement of Income and Profit and Loss for the Twelve Months ended December 31, 1922, and of its Subsidiary Companies from the Dates of Acquisition of the Capital Stock to December 31, 1922

GROSS REVENUE FROM SALES OF ELECTRIC POWER		\$4,158,993.73
COST OF ELECTRIC POWER SOLD:		
Purchased	\$1,199,839.08	
Produced	421,025.98	
TOTAL		1,620,865.06
GROSS PROFIT FROM SALES OF ELECTRIC POWER		2,538,128.67
OPERATING EXPENSES		490,958.48
NET REVENUE FROM SALES OF ELECTRIC POWER		2,047,170.19
OTHER INCOME CREDITS—INTEREST, RENTALS, MERCHANDISE REVENUE, ETC.		46,475.95
GROSS INCOME		2,093,646.14
INCOME CHARGES—TAXES, RENT, DEBT DISCOUNT AND EXPENSE, AND OTHER DEDUCTIONS		502,269.65
NET INCOME BEFORE DEDUCTING INTEREST, DEPRECIATION AND CONTRACTUAL CHARGES		1,591,376.49
INTEREST ON FUNDED DEBT AND DEFERRED PAYMENTS FOR AUBURN STEAM PLANT		771,452.23 ✓
NET INCOME BEFORE DEDUCTING DEPRECIATION AND CONTRACTUAL CHARGES DEPRECIATION		819,924.26
NET INCOME BEFORE DEDUCTING CONTRACTUAL CHARGES		147,963.09
CONTRACTUAL CHARGES		671,961.17
NET INCOME FOR THE PERIOD		69,725.04
PROFIT AND LOSS CREDITS:		
Reserve for Sinking Fund Requirements restored to Surplus	35,742.55	
Premium on sale of Capital Stock	8,027.00	
TOTAL		43,769.55
GROSS SURPLUS FOR THE PERIOD		646,005.68
PROFIT AND LOSS CHARGES:		
Dividends Declared	270,755.00	
Cost of dismantling reconstructed transmission lines	16,339.42	
Extraordinary Repairs and Losses	10,599.34	
Sundry adjustments applicable to prior period—Net	45,801.22	
TOTAL		343,494.98
SURPLUS FOR THE PERIOD		302,510.70
SURPLUS AT THE BEGINNING OF THE PERIOD		734,285.48
SURPLUS AT THE END OF THE PERIOD		\$1,036,796.18

Company Lines —————
Customers Lines - - - - -
Proposed Extensions = = = = =

NIAGARA, LOCKPORT and ONTARIO POWER COMPANY'S

POWER SOURCES AND TRANSMISSION
SYSTEM WITH INTERCONNECTING
TRANSMISSION LINES

Scale 12 miles to 1 inch

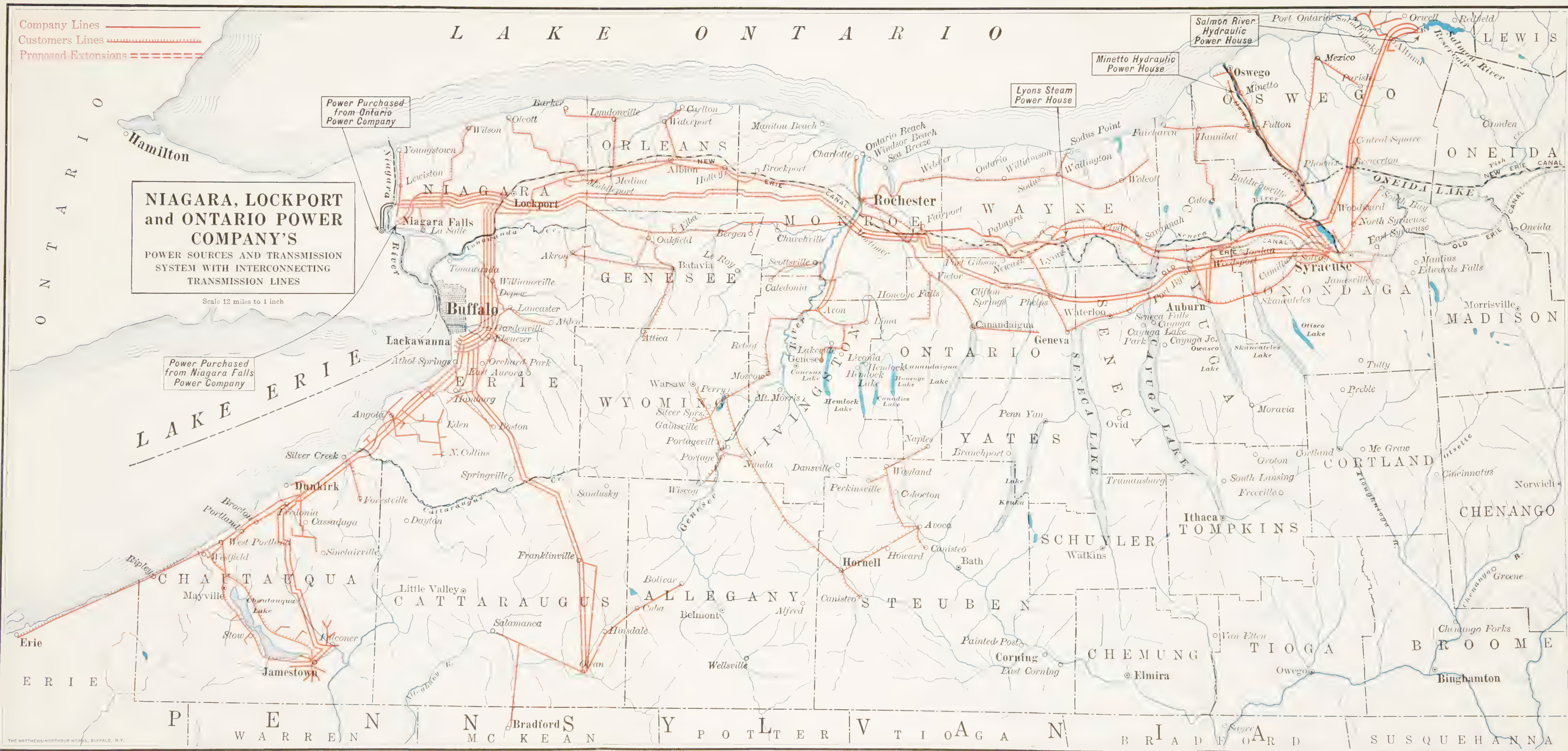
Power Purchased
from Niagara Falls
Power Company

Power Purchased
from Ontario
Power Company

Lyons Steam
Power House

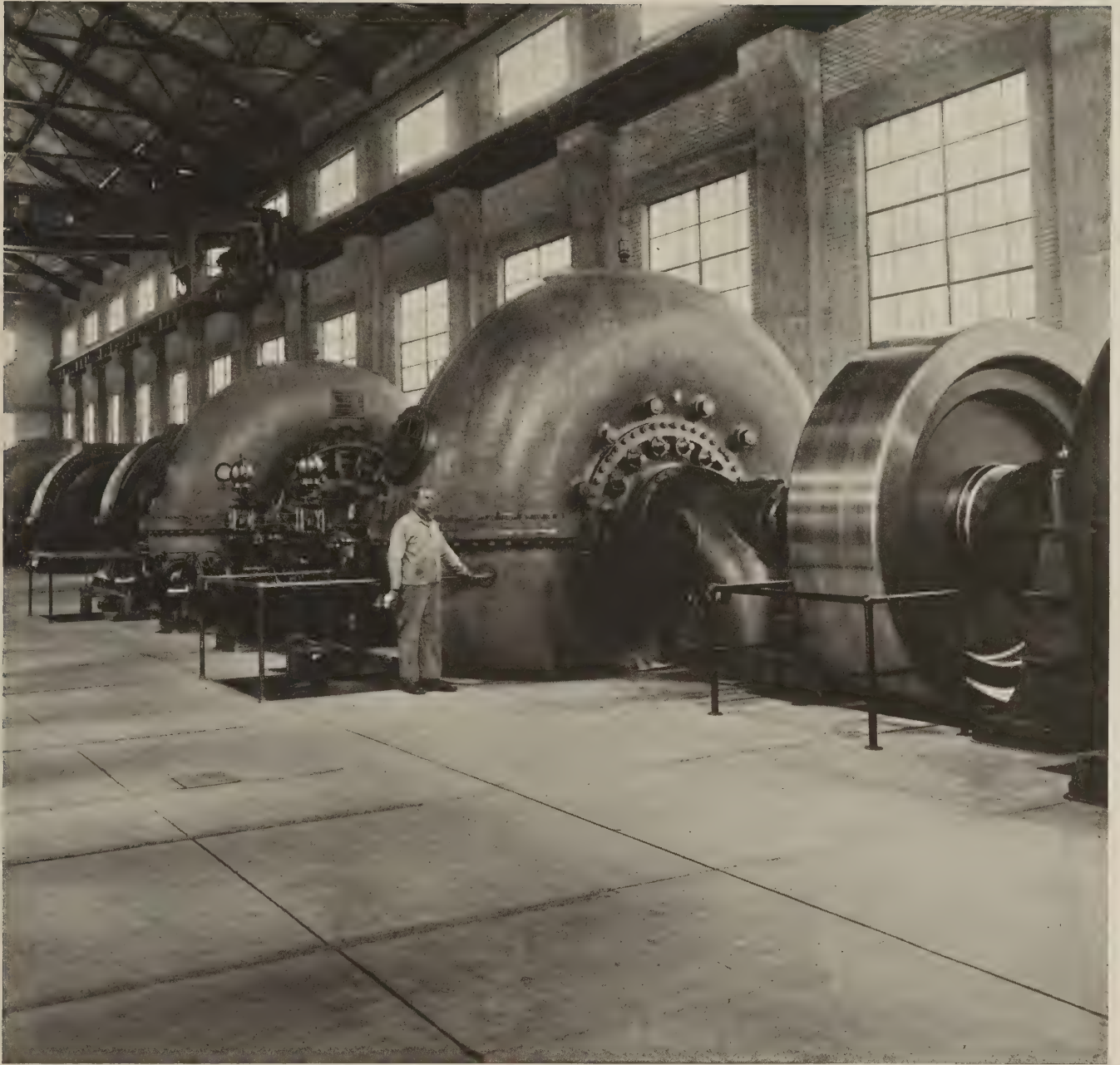
Minetto Hydraulic
Power House

Salmon River
Hydraulic
Power House





SALMON RIVER POWER HOUSE AND SURGE TANK



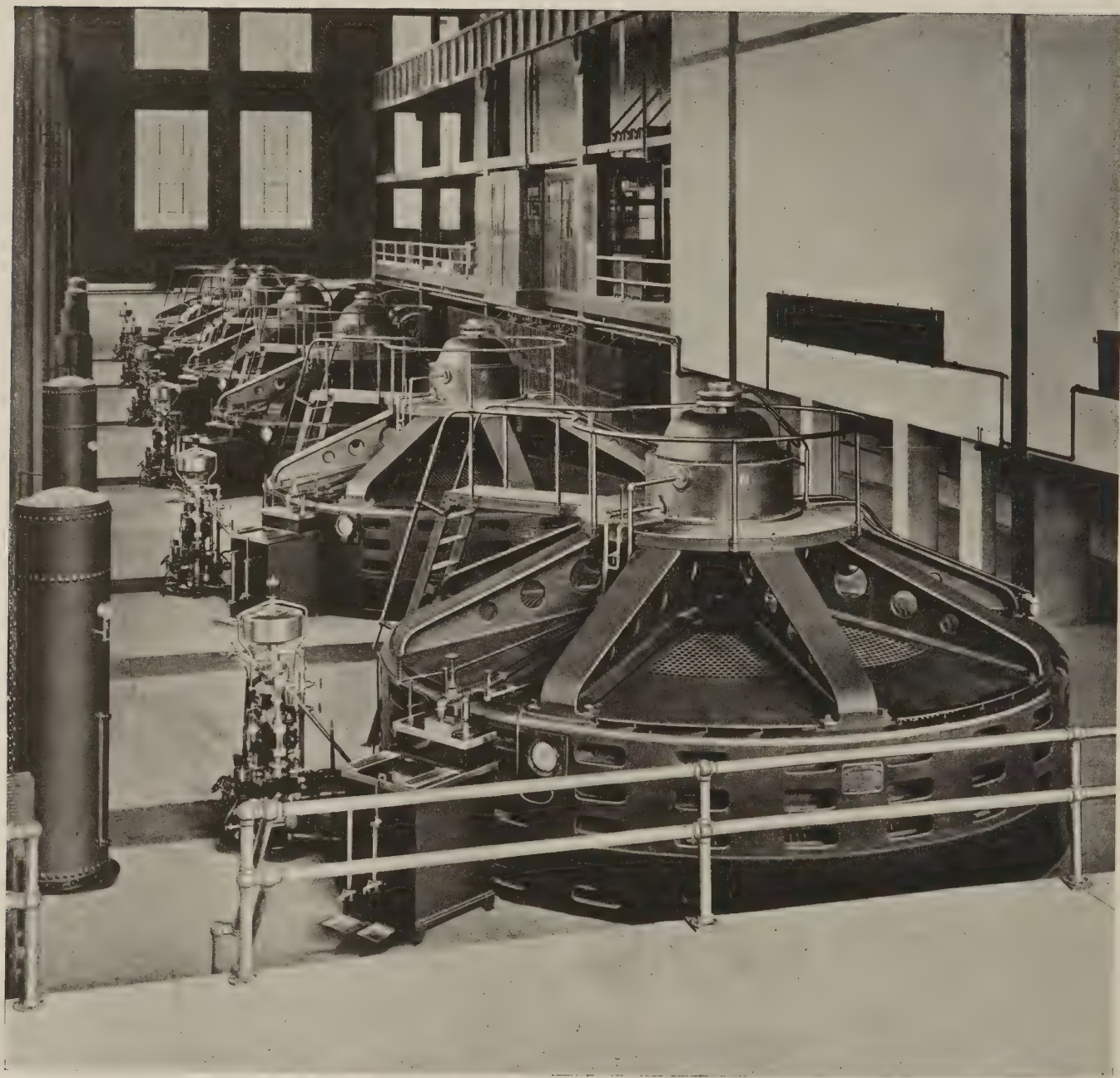
8,000 H. P. FRANCIS HYDRAULIC TURBINES AND GENERATORS IN POWER HOUSE AT SALMON RIVER



SALMON RIVER DAM



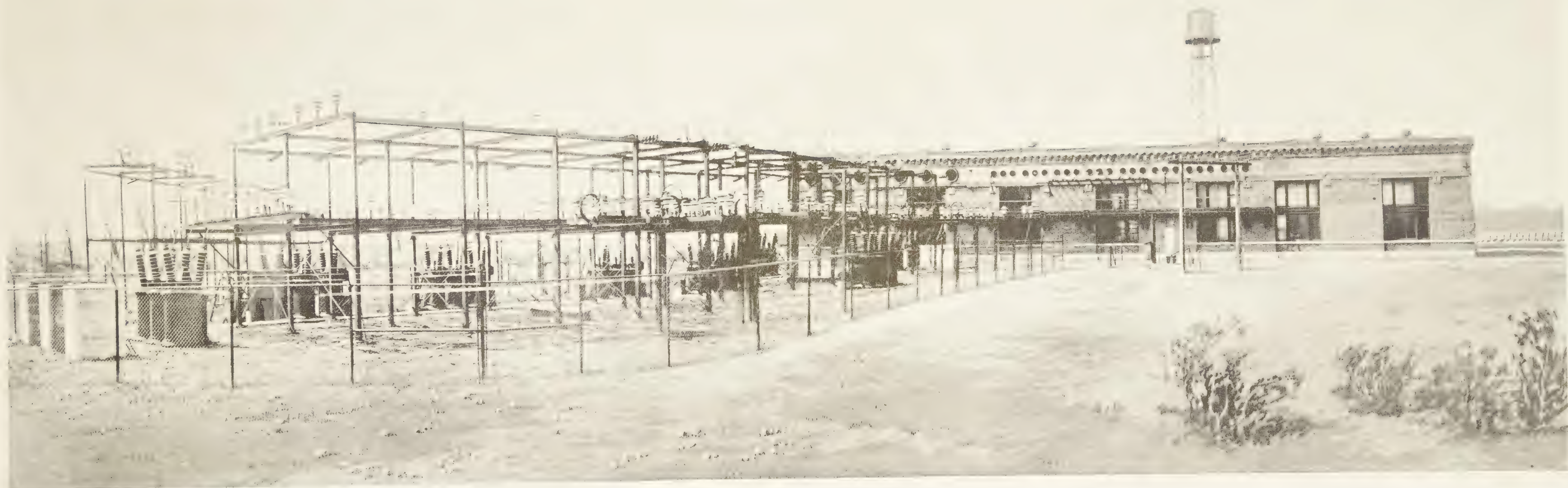
STEAM POWER HOUSE AT LYONS, N. Y. WITH WATER INTAKE FROM BARGE CANAL AND CLYDE RIVER



2,200 H. P. FRANCIS HYDRAULIC TURBINES AND GENERATORS IN POWER HOUSE AT MINETTO, N. Y.



GENERAL VIEWS TRANSMISSION LINES ON PRIVATE RIGHT OF WAY



SUB-STATION AND SWITCHING STRUCTURE AT LOCKPORT

338.7
NS/13
1923

AB LIND EDD MKT EBB MGR
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ANNUAL REPORT
OF
NIAGARA, LOCKPORT AND ONTARIO
POWER COMPANY
AND
SUBSIDIARY COMPANIES

FOR THE YEAR ENDED
DECEMBER 31, 1923

RETURN TO FILE
BERNHARD, SCHIFFER & CO.
STATISTICAL DEPT.

ANNUAL REPORT
OF
NIAGARA, LOCKPORT AND ONTARIO
POWER COMPANY
AND
SUBSIDIARY COMPANIES

FOR THE YEAR ENDED
DECEMBER 31, 1923

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY

DIRECTORS

J. J. ALBRIGHT	WALTER P. COOKE	D. J. KENEFICK
J. F. SCHOELLKOPF, JR.	FRED D. COREY	R. J. H. HUTTON
GEORGE T. BISHOP	LANGDON ALBRIGHT	CARLTON M. SMITH
L. S. DEGRAFF	CHARLES A. EATON	

OFFICERS

GEORGE T. BISHOP, *Chairman of the Board*

FRED D. COREY	<i>President</i>
LANGDON ALBRIGHT	<i>Vice President</i>
STEFAN PIEK	<i>Vice President and General Manager</i>
ROBERT C. BOARD	<i>Treasurer</i>
WILHELMINE K. KOESTER	<i>Secretary and Asst. Treasurer</i>
N. W. CHAPMAN	<i>Asst. Secretary</i>
H. C. MATHER	<i>Auditor</i>

STOCK TRANSFER AGENT, Bankers Trust Company, New York, N. Y.

REGISTRAR OF STOCK, The Equitable Trust Company of New York, New York, N. Y.

GENERAL OFFICES

Lafayette Building, Buffalo, N. Y.

COUNSEL

STREBEL, COREY & TUBBS Buffalo, N. Y.

ACCOUNTANTS

HASKINS & SELLS Certified Public Accountants

338.7
N5113
1923

BUFFALO, N. Y., March 18, 1924.

TO THE STOCKHOLDERS:

Your Board of Directors submits herewith a combined report of the operations and affairs of the Niagara, Lockport and Ontario Power Company and Subsidiary Companies for the year ended December 31, 1923. Your Company began operations July 1st, 1907. Beginning with the first full calendar year of your Company's operations, the following statement shows the growth of the Company's business, and the rapidly increasing demand for electric power.

	Gross Revenue From Sales	Net Revenue From Sales	Kilowatt Hours Delivered
1908	\$ 592,103.10	\$ 42,876.39	96,575,110
1910	1,051,521.50	351,521.10	177,722,627
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1922	4,158,993.73	2,047,170.19	484,877,202
1923	5,547,772.26	2,606,555.55	613,547,320

**DESCRIPTION OF PROPERTY, POWER SOURCES AND
TERRITORY SERVED**

In the State of New York your Company is the pioneer in high tension, long distance transmission. It began the construction of its high tension system in 1905. It began operations July 1, 1907. The Company now has over 430 miles of private right-of-way, 4500 acres of which are owned in fee. It has over 900 miles of high tension transmission lines, and over 1200 miles of high tension transmission circuits. These transmission lines, together with the distribution lines of the Company and the transmission and distribution lines of its three subsidiaries, traverse sixteen counties and reach a population of over 2,000,000. Your Company and subsidiaries hold franchises in 181 cities, villages and towns, and supply electric power to or in 126 cities, villages, towns and lighting districts.

The main power sources of your Company, all of which are inter-connected, are as follows:

(a) At the extreme western end of the transmission system, power is purchased from the Niagara Falls Power Company on the New York State side of the Niagara River, and from The Ontario Power Company on the Canadian side of the Niagara River. The contract with the Niagara Falls Power Company provides at present for a maximum delivery of 50,000 kilowatts, and with The Ontario Power Company for a maximum delivery of 45,000 kilowatts, continuous power, a total of approximately 130,000 horsepower.

(b) At the extreme eastern end of the transmission system an hydro-electric generating plant on the Salmon River (about 42 miles northeast of Syracuse) with a present installed capacity of 35,000 horsepower. This plant is owned by your Company.

(c) On the Oswego River at Minetto an hydro-electric generating plant with an installed capacity of 12,000 horsepower. This plant is owned by the Northern New York Power Corporation and is leased and operated by the Niagara, Lockport and Ontario Power Company under an agreement extending until 1940.

(d) At Lyons, 35 miles east of Rochester, a modern steam plant with a capacity of 40,000 horsepower. This plant is owned by your Company and is available for operation at all seasons of the year. As a source of emergency, auxiliary and stand-by supply it is of great value. This is particularly true with respect to the late fall and winter season when the high demands upon

the Company's system always occur, due to the short days and many heavy storms. In 1923 this plant was operated in whole or in part during every month of the year.

Distribution of electric power by your Company during the year 1923 was approximately as follows:

- 15% to electrically operated railways in the cities and suburban sections of Western and Central New York, including Rochester, Auburn, Syracuse and Oswego.
- 68% to public utility companies distributing electricity in Oswego, Syracuse, Rochester, Auburn, Geneva, Batavia, Lockport, Dunkirk, Jamestown, Olean, Salamanca, and numerous smaller communities. This includes industrials supplied by these utilities, and the retail business of the Company's subsidiaries.
- 17% direct to large industrial concerns such as Bethlehem Steel Company, American Locomotive Company, Repair Shops of New York Central Railroad Company, Gould Coupler Company, Seneca Iron and Steel Company, Atlas Crucible Steel Company, and others.

At the back of this report will be found a map showing the location of these various sources of power, and the high tension transmission system of the Company interconnecting these power sources. Some photographs are also appended. A comparison of these exhibits and data given in this report with the exhibits and data given in the report for the year ended December 31, 1922, will enable those not in close touch with the property, to appreciate more fully the rapid increase of your Company's business, and the large public service it is rendering throughout Western New York.

GROWTH AND EXPANSION

During the year your Company (including subsidiaries) has increased its capacity for transmitting and delivering power as follows,— (a) It has constructed a new two-circuit, high tension, steel tower line from Lockport to Mortimer, just south of Rochester, a distance of 57 miles. (b) It has completed the acquisition of a private right-of-way from Gardenville (near Buffalo) into the City of Olean, a distance of 67 miles, and has constructed thereon a two-circuit, high tension, steel tower line, and has built and equipped at Olean a sub-station of 20,000 horsepower capacity. (c) It has acquired four miles of additional private right-of-way in the Town of Amherst (just north of Buffalo), and has constructed from the westerly town line of Amherst (connecting there with the high tension transmission lines of The Niagara Falls Power Company) to Gardenville, a distance of 13 miles, a new two-circuit, high tension, steel tower transmission line. (d) It has constructed a new steel tower high tension transmission line from Throop Junction, in the County of Cayuga, to Syracuse, a distance of 21 miles, and has installed thereon two circuits. (e) It has increased and extended its retail distributing systems, and the distributing systems and sub-station capacity of all the Company's subsidiaries.

For all of these acquisitions, extensions and enlargements, your Company expended during the year 1923 approximately \$3,000,000; and thereby increased the transmission and distribution capacity of its combined systems approximately 75,000 horsepower. The Company also expended during the year about \$350,000 toward an enlargement of its generating capacity.

At the beginning of the year 1923, the Company, including its subsidiaries, had 18,491 customers; at the close of the year 21,309 customers. Sales increased over the previous year 128,670,118 kilowatt hours, or 26%. The maximum load carried at any time during the year 1922 was 160,000 horsepower. The maximum load carried at any time during the year 1923 was 190,800 horsepower.

NEW FINANCING

In the year 1923, your Company, pursuant to authority given by the New York State Public Service Commission sold \$3,000,000 par amount of Three-Year Notes, due June 1, 1926, convertible into the Company's 7% Cumulative Preferred Stock, par for par, on and after June 1, 1924. No other securities were offered or sold for capital expenditures during the year.

On December 31, 1922, the number of the Company's stockholders was 709; on December 31, 1923, 1293; on March 15, 1924, 1527.

CONDITION OF PROPERTY

It has at all times been the policy of the Company to maintain its physical property in a condition which assures high efficiency at a reasonable operating cost. Repairs and replacements have been promptly and adequately made during the year wherever required and your Directors are pleased to report that the Company's physical property is in excellent condition. To provide for depreciation, retirements and replacements, substantial reserves have been set aside annually out of earnings. At the beginning of the year these reserves (including subsidiaries) aggregated \$1,038,667.52, at the close of the year \$1,121,420.99.

SURPLUS

A statement of the surplus account of the Company and its subsidiaries is as follows:

Surplus at December 31, 1922			\$1,036,796.18
Net Income for the year		\$935,903.76	
Less—			
Dividends declared or paid	\$522,354.50		
Miscellaneous Adjustments	<u>90,880.59</u>	<u>613,235.09</u>	
Balance carried to Surplus			<u>322,668.67</u>
Total Surplus at December 31, 1923			<u><u>\$1,359,464.85</u></u>

FINANCIAL STATEMENTS

Your Company owns all of the issued and outstanding capital stock of its three subsidiary companies. Consolidated statement of income and profit and loss, consolidated general balance sheet of the Company and its subsidiaries, and balance sheet of each of the subsidiaries for the year 1923, as determined by Haskins & Sells, Certified Public Accountants, are herewith submitted.

By Order of the Board of Directors,
FRED D. COREY,
President

ATLANTA
BALTIMORE
BIRMINGHAM
BOSTON
BUFFALO
CHICAGO
CINCINNATI
CLEVELAND
DALLAS
DENVER
DETROIT
KANSAS CITY
LOS ANGELES
MINNEAPOLIS
NEWARK
NEW ORLEANS

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
THE MARINE TRUST COMPANY BUILDING
BUFFALO

NEW YORK
PHILADELPHIA
PITTSBURGH
PORTLAND
PROVIDENCE
SAINT LOUIS
SALT LAKE CITY
SAN DIEGO
SAN FRANCISCO
SEATTLE
TULSA
WATERTOWN

HAVANA
LONDON
PARIS
SHANGHAI

**NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY
AND SUBSIDIARY COMPANIES**

CERTIFICATE

We have audited the books and accounts of the Niagara, Lockport and Ontario Power Company from the date of its incorporation and of its subsidiary companies from the dates of acquisition to and including December 31, 1923, and

WE HEREBY CERTIFY that, in our opinion, the accompanying Consolidated General Balance Sheet and General Balance Sheets of the subsidiary companies as of December 31, 1923, and Consolidated Statement of Income and Profit and Loss for the year ended that date are correct, and that the books of the companies are in agreement therewith.

HASKINS & SELLS.

BUFFALO, NEW YORK, March 17, 1924.

NIAGARA, LOCKPORT AND ONTARIO POWER COMPANY AND SUBSIDIARY COMPANIES

Consolidated Statement of Income and Profit and Loss for the Year ended December 31, 1923

GROSS REVENUE FROM SALES OF ELECTRIC POWER		\$5,550,257.92
COST OF ELECTRIC POWER SOLD:		
Purchased	\$1,472,875.88	
Produced	744,436.54	
TOTAL		<u>2,216,812.42</u>
GROSS PROFIT FROM SALES OF ELECTRIC POWER		\$3,333,445.50
OPERATING EXPENSES		<u>726,889.95</u>
NET REVENUE FROM SALES OF ELECTRIC POWER		\$2,606,555.55
OTHER INCOME CREDITS—INTEREST, RENTALS, MERCHANDISE REVENUE, ETC.		<u>46,870.77</u>
GROSS INCOME		\$2,653,426.32
INCOME CHARGES—TAXES, RENT, ETC.		<u>517,630.59</u>
NET INCOME BEFORE DEDUCTING INTEREST, DEBT DISCOUNT AND EXPENSE, PROVISION FOR DEPRECIATION AND OTHER RESERVES		\$2,135,795.73
INTEREST ON FUNDED DEBT AND DEFERRED PAYMENTS FOR AUBURN STEAM PLANT		<u>898,098.57</u>
NET INCOME BEFORE DEDUCTING DEBT DISCOUNT AND EXPENSE, PROVISION FOR DEPRECIATION AND OTHER RESERVES		\$1,237,697.16
OTHER INCOME DEDUCTIONS:		
Debt Discount and Expense	\$ 71,804.61	
Provision for Depreciation	140,038.54	
Provision for Other Reserves	89,950.25	
TOTAL		<u>301,793.40</u>
NET INCOME FOR THE PERIOD		\$935,903.76
PROFIT AND LOSS CHARGES:		
Dividends Declared or Paid	\$522,354.50	
Extraordinary Repairs and Losses	28,124.38	
Federal Income and Profits Tax Adjustments	13,656.99	
Loss on Bonds Purchased Through Sinking Funds	33,502.96	
Sundry Adjustments Applicable to Prior Period—Net	15,596.26	
TOTAL		<u>613,235.09</u>
PROFIT AND LOSS SURPLUS FOR THE PERIOD		\$ 322,668.67
PROFIT AND LOSS SURPLUS, JANUARY 1, 1923		<u>1,036,796.18</u>
PROFIT AND LOSS SURPLUS, DECEMBER 31, 1923		<u><u>\$1,359,464.85</u></u>

NIAGARA, LOCKPORT AND AND SUBSIDIA

Consolidated General Balan

ASSETS

PROPERTY AND PLANT		\$27,744,788.04
INVESTMENTS		195,953.60
DEPOSITS WITH TRUSTEES FOR SINKING FUND REQUIREMENTS AND CONSTRUCTION		8,887.10
CURRENT ASSETS:		
Cash	\$ 452,827.54	
Notes and Accounts Receivable	1,200,483.80	
Argentine Government, 6%, Treasury Gold Notes, due March 1, 1924	99,500.00	
Accrued Interest Receivable	45,257.17	
Materials and Supplies	524,421.27	
Advances to Right-of-way Agents and Field Employees	44,164.38	
Prepaid Taxes, Insurance, etc.	40,280.54	
(In addition, the Niagara, Lockport and Ontario Power Company holds \$369,000.00 face value of its 6%, Forty-Year, Refunding Mortgage Gold Bonds, unsold as at December 31, 1923, and not treated herein as an asset.)		
TOTAL CURRENT ASSETS		2,406,934.70
DEFERRED CHARGES:		
Unamortized Debt Discount and Expense	\$ 1,443,946.13	
Studies for Future Development	104,418.54	
Suspense to be Amortized	90,857.38	
Miscellaneous	7,972.77	
TOTAL DEFERRED CHARGES		1,647,194.82
TOTAL		<u>\$32,003,758.26</u>

ONTARIO POWER COMPANY

RY COMPANIES

Sheet - December 31, 1923

LIABILITIES

PREFERRED, 7%, CUMULATIVE CAPITAL STOCK	
Authorized, 100,000 shares of \$100.00 each; issued, 19,994 shares . .	\$1,999,400.00
COMMON CAPITAL STOCK	
Authorized, 300,000 shares of no par value; issued, 199,618 shares. .	6,421,435.00
FUNDED DEBT:	
Niagara, Lockport and Ontario Power Company First Mortgage, 5%, Fifty-Year Gold Bonds, due 1954	\$2,994,000.00
Niagara, Lockport and Ontario Power Company Refunding Mortgage, 6%, Sinking Fund Gold Bonds, due 1958	3,715,900.00
Niagara, Lockport and Ontario Power Company Debenture, 6%, Con- vertible Gold Bonds, due 1926	2,000,000.00
Niagara, Lockport and Ontario Power Company, Three-Year, 6%, Convertible Gold Notes, due 1926	3,000,000.00
Salmon River Power Company First Mortgage, 5%, Forty-Year Gold Bonds, due 1952	4,436,000.00
Niagara and Erie Power Company First Mortgage, 5%, Thirty-Year Gold Bonds, due 1941	1,098,000.00
Livingston-Niagara Power Company First Mortgage, 6%, Bonds, due 1932	153,000.00
Bradford Electric Company First Mortgage and Collateral Trust, 6%, Gold Bonds, Series "A," due 1929	1,456,000.00
Olean Electric Light and Power Company First Mortgage, 5%, Forty- Year Gold Bonds, due 1951	54,000.00
Olean Electric Light and Power Company First and Refunding Mort- gage, 5%, Series "A" Bonds, due 1943	<u>22,100.00</u>
TOTAL FUNDED DEBT	18,929,000.00
CONTRACT OF PURCHASE—AUBURN STEAM PLANT	
(Payable at the rate of \$11,300.00 per annum)	98,875.00
ACCRUED LIABILITIES	564,462.05
DIVIDENDS PAYABLE	134,798.50
NOTES AND ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES . . .	1,262,070.72
DEFERRED CREDITS	3,772.10
RESERVES FOR DEPRECIATION, REPLACEMENTS, ETC.	1,121,420.99
SURPLUS:	
Profit and Loss Surplus	\$1,359,464.85
Capital Surplus	<u>109,059.05</u>
TOTAL SURPLUS	<u>1,468,523.90</u>
TOTAL	<u><u>\$32,003,758.26</u></u>

WESTERN NEW YORK ELECTRIC COMPANY

General Balance Sheet, December 31, 1923

ASSETS

PROPERTY AND PLANT	\$1,116,852.51
INVESTMENTS	500.00
CURRENT ASSETS:	
Cash	\$10,607.21
Accounts Receivable	84,218.31
Materials and Supplies	43,432.28
Prepaid Taxes, Insurance, etc.	<u>5,930.65</u>
TOTAL CURRENT ASSETS	144,188.45
DEFERRED CHARGES	<u>1,613.65</u>
TOTAL	<u><u>\$1,263,154.61</u></u>

LIABILITIES

CAPITAL STOCK	
Authorized, 50,000 shares of no par value; issued, 42,000 shares	\$1,050,000.00
(All issued and outstanding shares of stock owned by Niagara, Lockport and Ontario Power Company)	
CURRENT LIABILITIES:	
Accounts Payable	\$57,800.51
Accrued Taxes	11,340.04
Other Accrued Accounts	<u>37.60</u>
TOTAL CURRENT LIABILITIES	69,178.15
RESERVE FOR DEPRECIATION	89,591.59
SURPLUS	<u>54,384.87</u>
TOTAL	<u><u>\$1,263,154.61</u></u>

**BRADFORD ELECTRIC COMPANY
OLEAN ELECTRIC LIGHT AND POWER COMPANY**

Consolidated General Balance Sheet, December 31, 1923

ASSETS

PROPERTY AND PLANT		\$2,764,640.90
INVESTMENTS		10,175.00
DEPOSIT WITH TRUSTEE FOR SINKING FUND REQUIREMENT		46.75
CURRENT ASSETS:		
Cash:		
General	\$ 14,597.65	
On deposit for payment of Matured Bond Interest	465.35	
Accounts Receivable	239,015.30	
Materials and Supplies	70,129.86	
Deposits for Guarantee of Accounts	103.91	
Prepaid Taxes, Insurance, etc.	1,889.71	
TOTAL CURRENT ASSETS		326,201.78
DEFERRED CHARGES:		
Unamortized Debt Discount and Expense	\$ 228,192.31	
Suspense to be Amortized	68,357.38	
Miscellaneous	275.55	
TOTAL DEFERRED CHARGES		296,825.24
TOTAL		<u>\$3,397,889.67</u>

LIABILITIES

PREFERRED, 8%, CUMULATIVE CAPITAL STOCK		
Authorized, 80,000 shares of \$25.00 each; outstanding 27,680 shares		\$692,000.00
COMMON CAPITAL STOCK		
Authorized, 40,000 shares of \$25.00 each; issued, 24,512 shares		612,800.00
(All issued and outstanding shares of stock, both common and preferred, owned by Niagara, Lockport and Ontario Power Company)		
FUNDED DEBT:		
Bradford Electric Company, First Mortgage and Collateral Trust, 6%, Gold Bonds, Series "A," due 1929	\$1,456,000.00	
Olean Electric Light and Power Company, First Mortgage, 5%, Forty-Year Gold Bonds, due 1951	54,000.00	
Olean Electric Light and Power Company, First and Refunding Mortgage, 5%, Series "A" Bonds, due 1943	22,100.00	
TOTAL FUNDED DEBT		1,532,100.00
CURRENT LIABILITIES:		
Notes Payable	\$ 100,000.00	
Accounts Payable	60,720.26	
Consumers' Meter Deposits	20,901.08	
Accrued Accounts:		
Interest on Funded Debt	179.58	
Taxes	34,049.47	
Miscellaneous	396.19	
TOTAL CURRENT LIABILITIES		216,246.58
DEFERRED CREDITS—UNEARNED LAND RENTALS		619.00
RESERVES:		
Depreciation	\$ 198,663.37	
Doubtful Accounts	2,596.76	
Contingencies	537.35	
TOTAL RESERVES		201,797.48
SURPLUS		142,326.61
TOTAL		<u>\$3,397,889.67</u>

LIVINGSTON-NIAGARA POWER COMPANY

General Balance Sheet, December 31, 1923

ASSETS

PROPERTY AND PLANT		\$671,296.27
CURRENT ASSETS:		
Cash:		
General	\$ 3,566.91	
On deposit for payment of Matured Bond Interest	4,590.00	
Accounts Receivable	109,144.13	
Materials and Supplies	14,104.78	
Advances to Right-of-way Agents and Field Employees	50.00	
Prepaid Taxes, Insurance, etc.	<u>1,222.25</u>	
TOTAL CURRENT ASSETS		132,678.07
DEFERRED CHARGES:		
Unamortized Debt Discount and Expense	\$ 2,495.85	
Suspense to be Amortized	22,500.00	
Miscellaneous	<u>208.31</u>	
TOTAL DEFERRED CHARGES		<u>25,204.16</u>
TOTAL		<u><u>\$829,178.50</u></u>

LIABILITIES

CAPITAL STOCK		
Authorized, 5,000 shares of \$100.00 each; issued, 4,500 shares		\$450,000.00
(All issued and outstanding shares of stock owned by Niagara, Lockport and Ontario Power Company)		
FIRST MORTGAGE, TWENTY-YEAR, 6%, GOLD BONDS—due 1932		153,000.00
CURRENT LIABILITIES:		
Accounts Payable	\$ 50,877.26	
Consumers' Meter Deposits	600.57	
Accrued Accounts:		
Interest on Funded Debt	4,590.00	
Interest on Notes and Accounts Payable	149.83	
Taxes	<u>3,858.89</u>	
TOTAL CURRENT LIABILITIES		60,076.55
RESERVES:		
Depreciation	\$ 73,167.85	
Doubtful Accounts	<u>750.00</u>	
TOTAL RESERVES		73,917.85
SURPLUS		<u>92,184.10</u>
TOTAL		<u><u>\$829,178.50</u></u>

Company Lines —————
Customers Lines - - - - -
Proposed Extensions = = = = =

NIAGARA, LOCKPORT and ONTARIO POWER COMPANY'S

POWER SOURCES AND TRANSMISSION
SYSTEM WITH INTERCONNECTING
TRANSMISSION LINES

Scale 12 miles to 1 inch

Power Purchased
from Niagara Falls
Power Company

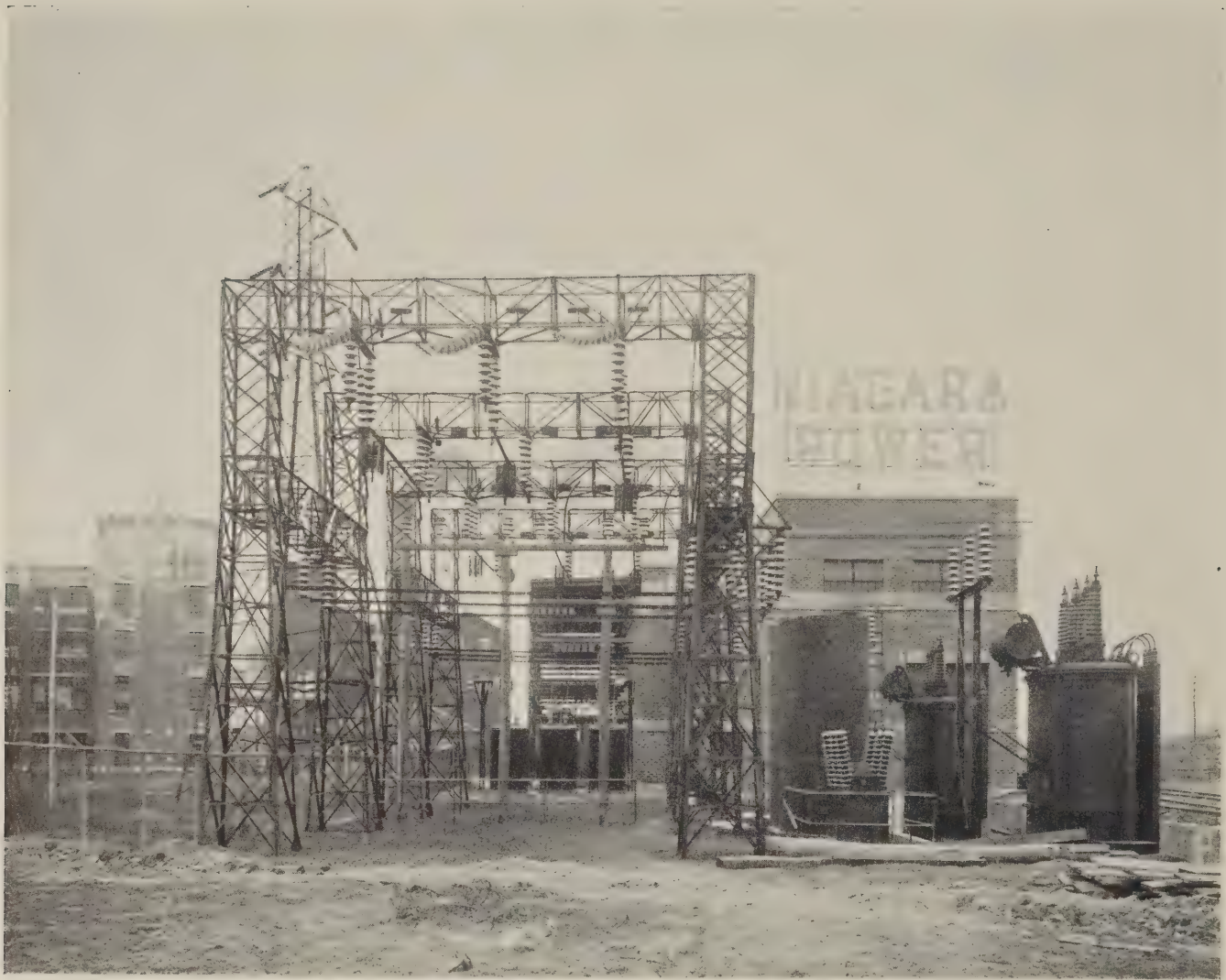
Power Purchased
from Ontario
Power Company

Lyons Steam
Power House

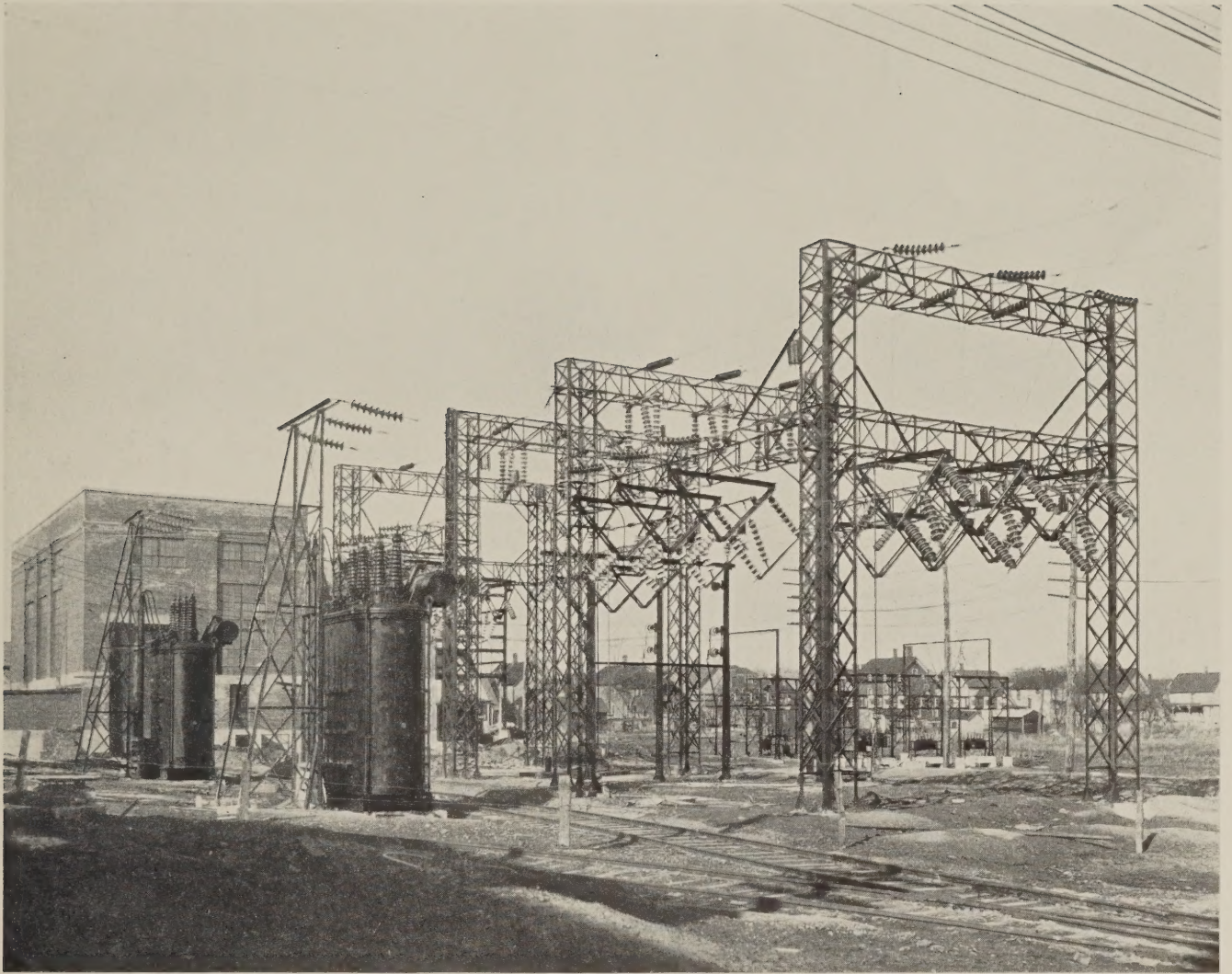
Minetto Hydraulic
Power House

Salmon River
Hydraulic
Power House





20,000 H. P. SUB-STATION AT FALCONER, N. Y. (NEAR JAMESTOWN)



20,000 H. P. SUB-STATION AT OLEAN, N. Y.



GENERAL VIEW OF TRANSMISSION LINES



3 0112 099128362